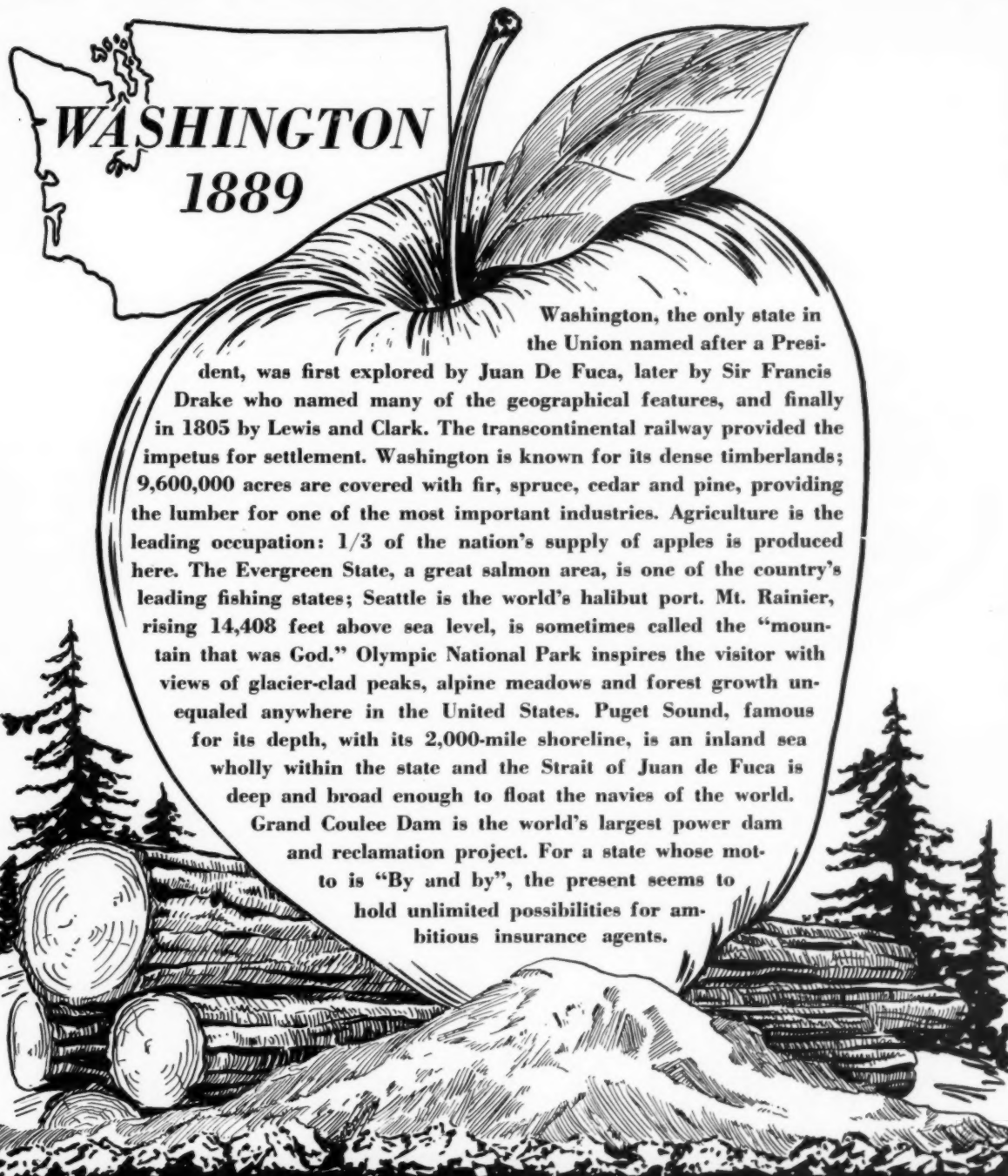


The NATIONAL UNDERWRITER



WASHINGTON
1889

Washington, the only state in the Union named after a President, was first explored by Juan De Fuca, later by Sir Francis Drake who named many of the geographical features, and finally in 1805 by Lewis and Clark. The transcontinental railway provided the impetus for settlement. Washington is known for its dense timberlands; 9,600,000 acres are covered with fir, spruce, cedar and pine, providing the lumber for one of the most important industries. Agriculture is the leading occupation: 1/3 of the nation's supply of apples is produced here. The Evergreen State, a great salmon area, is one of the country's leading fishing states; Seattle is the world's halibut port. Mt. Rainier, rising 14,408 feet above sea level, is sometimes called the "mountain that was God." Olympic National Park inspires the visitor with views of glacier-clad peaks, alpine meadows and forest growth unequaled anywhere in the United States. Puget Sound, famous for its depth, with its 2,000-mile shoreline, is an inland sea wholly within the state and the Strait of Juan de Fuca is deep and broad enough to float the navies of the world. Grand Coulee Dam is the world's largest power dam and reclamation project. For a state whose motto is "By and by", the present seems to hold unlimited possibilities for ambitious insurance agents.



CRUM & FORSTER
MANAGER



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THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh. Organized 1868

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THURSDAY, FEBRUARY 9, 1950

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State Officials Bare Fangs to FTC on Auto Finance Issue

Federal Agency's
Oblique Maneuver
Draws N.A.I.C. Fire

By H. C. HALLAM

WASHINGTON — State insurance commissioners, through the N.A.I.C. liaison committee with federal trade commission, are presenting a united front in opposition to rule 4 in the proposed trade practice rules governing the automobile "pack" and related practices. This was made clear at the hearing held here Feb. 2 before FTC officials.

Led by Commissioner Larson of Florida, the chairman of the liaison committee, half a dozen state officials arose and announced their opposition. Some, notably Harrington of Massachusetts made a number of other points and submitted suggestions for modification of the proposed rules in addition to elimination of the words "insurance company" from rule 4. Such elimination would leave rule 4's prohibition against insurance misrepresentation applying only to auto sellers and financing institutions.

Refer to State Officials

The liaison committee had met here the night of Feb. 1 and morning of Feb. 2, and its members were in touch with a number of industry group representatives gathered here. The latter, who had made known their opposition to rule 4 to the commissioners, felt it was the latter's prerogative to state their opposition. In doing so, however, the commissioners effectively carried the ball for the industry, observers said.

The commissioners' opposition was based upon disregard in the FTC rules of provisions of public law 15 that FTC jurisdiction over insurance should extend only insofar as it is not regulated by the states; also upon the ground that FTC regulation would be duplicating service and unnecessarily expensive, in view of the fact that many states have laws and regulations to reach auto finance "packing" practices with respect to insurance.

Henry Miller Presides

The hearing was opened by Henry Miller, chief of the FTC trade practice conference division, who stated that Acting Chairman Lowell Mason was unable to attend, owing to another FTC hearing. However, it was promised that Mason would read the entire record of the auto "packing" hearing.

Barnett Watson, attorney in Miller's division, took charge and announced that the proposed rules are not "official" nor adopted by the commission. The latter would welcome suggestions, he said. Underlying purpose of the proposed code is to make disclosure of facts to auto purchasers, he stated.

After Charles C. Collins, general counsel American Automobile Assn., had said he did not "see how any reasonable person could object" to the rules, Mr. Larson took the floor and read a statement in behalf of N.A.I.C.

The commissioners' association, he

(CONTINUED ON PAGE 30)

Free Towing Service Plan Hot Issue in Ohio

The filing by National Automobile Underwriters Assn. of the plan to provide as part of the comprehensive policy, the towing and labor coverage without charge, has stirred up the animals in Ohio. So far this plan has been filed only in Ohio and Missouri, but N.A.U.A. states that it is to be introduced in a number of other states.

This is the coverage that has been available in most states and from most companies on a separate basis for a \$3 premium. Some of the independents have been charging \$2.

Leaders in Ohio agency circles are reported to be especially exercised. Whether the reaction on the part of Ohio agents will prove to be typical of that in other states remains to be seen. However, the Ohioans think that they have a special reason to be agitated, and that is their fear that this move may jeopardize the favored position that the agents in that state enjoy in respect of lack of motor club competition. In Ohio the motor clubs do not engage in the insurance business. Local agents and other insurance men have taken a prominent part in motor club activity and there is said to be a gentleman's agreement in the state between the motor clubs and the insurance people. The Cleveland Motor Club some time ago went through the motions of organizing an insurance company, but it was capitalized only in a nominal amount and it has never entered the field. However, the fact that there is such a company in existence constitutes something of a quiet threat. In the Cleveland territory the towing service cover was not available from N.A.U.A. companies.

May Create Antagonism

What the insurance agency leaders fear in Ohio is that this move to give towing and labor service coverage without charge will cut into the motor clubs' field and may create antagonisms that could lead to countermeasures on the part of the automobile clubs. The towing service of the motor clubs is one of their greatest drawing cards in attracting new members and in holding their existing membership. The agents theorize that if the insurance companies provide comparable service as a matter of course and without any charge, it will steal the thunder from the automobile clubs and will compel them to get into the insurance business with both feet.

The plan has not been approved in Ohio and powerful opposition to it appears to be shaping up.

One question that arises is whether this can qualify technically as a hazard that might be covered under the definition of comprehensive insurance.

Whether the Ohio agents are so opposed to this program, because of their particular sensitivity to the motor club question that they will take a darker view of the plan on other scores than agents in other states also remains to be seen. The Ohio agents' leaders are presently engaged in picking the whole thing to pieces from every imaginable angle. For one thing, they feel that the handling of claims would become a time consuming nuisance. They contend it would cause insurers to underwrite old cars even more severely.

This towing situation will serve to draw attention to the Michigan plan where for a good many years there has been a special broad form contract that includes, among other things, road service, in connection with which there was recently set up in Detroit by the

insurance interests, a road service plan with cooperating garages.

Along with the towing service plan there was filed in Ohio, a reduction in comprehensive rates. This was perhaps in the nature of a revision of the filing that became effective last December which caused bitter objection on the part of the agents, particularly in Cincinnati, Hamilton and Dayton where the rates are said to be competitively out of line.

According to observers, this newest reduction still does not help matters enough for the interested agents in those three cities. Elsewhere in the state the program seems to be entirely satisfactory.

Different in Other States

In states where there is no love lost between local agents and motor clubs, the reaction to the towing service feature may be entirely different from that in Ohio. It may be welcomed as a real business getting opportunity. Agents at least can argue that the biggest value of the motor club is towing service and from the local agent it can be gotten for free. Some observers feel that this is a move to hold the rate level as well as possible. The experience has been excellent. Rate reductions are shaping up in due course. The alternative is to give more coverage. It is recalled that in the early 1930's plate glass cover was telescoped into comprehensive instead of being a separate item at a \$5 premium. That was done when the glass loss ratio reached a very low level. Some are wondering whether the same sort of development may come in auto liability if the loss ratio there gets firmly better. In other words will the day arrive when medical payments will become part of the basic auto B.I. policy?

Company people don't seem to fear the loss consequences of universal towing service liability. During the war when tires and batteries were old and there were many breakdowns, the experience was adverse, but since then it has been entirely satisfactory.

Dithmer, Metzner Advanced at W.U.A.

Walter G. Dithmer and Clarence H. Metzner have been promoted to assistant managers of Western Underwriters Assn.

Mr. Dithmer who is a C.P.C.U., is primarily engaged in promoting and developing the program initiated by the public relations committee while Mr. Metzner's work is directed through the research committee. Both men are well seasoned and experienced in both fire insurance field work and agency activities.

Frey Heads New Northern Illinois Agents Group

The Northern Illinois Assn. of Insurance Agents has been formed at a meeting in St. Charles by agents from Kane, DuPage, DeKalb, McHenry and Lake Counties. Ralph Frey of Elgin was elected president; Ralph Dunley, Aurora, vice-president; William Petit, Batavia, second vice-president; J. L. Chandler, DeKalb, secretary, and Leonard Doolittle, Waukegan, treasurer. The by-laws committee is headed by Ray Peterson of DeKalb. Some 150 agents are expected to join.

FTC Now Is Training Sights on Marine Field

Alleged Rebating
Practices Said to Be
Subject of Investigation

WASHINGTON — Federal trade commission officials confirm that the commission is investigating marine insurance. They describe it as "exploratory" and "very limited." One official described marine as the "least regulated type of insurance."

Official information was not available concerning the basis of the investigation, whether due to complaints received. However, it was learned FTC has investigators in the field, including some reportedly in offices of Atlantic Mutual, though FTC does not confirm this. The investigation is being handled by the FTC legal investigation division.

FTC is reported in industry circles to be investigating alleged rebating practices in marine insurance, particularly inland marine. Industry "grapevine" sources say FTC officials have drafted a "blistering" report dealing with the subject.

Marine representatives here could not be contacted, but insurance lawyers indicate there may be considerable scope to FTC jurisdiction over marine under public law 15. That law provides in Section 4 that it shall not be construed as invalidating provisions of the merchant marine act of 1920, which exempted marine insurance from the anti-trust laws as they stood in 1914.

Since then, however, the anti-trust laws have been amended by several other enactments, including the Robinson-Patman anti-price discrimination law, which makes special reference to rebates. Technically, that law apparently applies to the marine industry.

FTC jurisdiction extends so far as the industry is not regulated by the states.

The laws of New York, where most of the marine business is concentrated, specifically exempt marine from anti-rebate provisions. Other state laws exempt marine, it is said. Much marine business is done through syndicates at the same rates, etc.

Hence, FTC steps into the picture on a broad scale.

Industry observers recall last spring's hearings before the Senate expenditures investigation committee, which developed, in connection with this government's loan transactions with Poland, considerable testimony about payment of rebates and kickbacks in the marine field to insurance brokers and freight forwarders. One outcome was requirement by the economic cooperation administration that insurance commissions, kickbacks, rebates be disclosed in reports to ECA.

Committee sources said no report was made to FTC on this matter and industry representatives say FTC activities may be concerned more with inland marine than with ocean marine matters developed in the committee hearings.

Zone 3 Miami Rally

The zone 3 commissioners have scheduled a meeting for the Raleigh hotel, Miami, commencing March 29.

Calls for Settling Interstate Risk Problem Promptly

Gallagher Suggests Causes of Confusion. Possible Solution

The underwriting of multiple location risks in 1950 is pretty close to what it was prior to the time the Interstate Underwriters Board was launched 22 years ago, Vincent L. Gallagher, assistant U. S. manager of Pearl, told the New Jersey Fieldmen's Assn. at its luncheon meeting in Newark. He said he doubted if anyone today is in a position to speak with authority on what is exactly the right way to handle the multiple location line covering in several states. To date,



V. L. GALLAGHER

the Escott plan has been approved in 10 states, in the others the actual average rate plan is in effect.

In reviewing developments, Mr. Gallagher said his own company submitted a plan which modified average tariffs up and down by application of 13 factors largely based on estimated savings of expense. It submitted the plan to all states with a request to approve or disapprove but to allow the company to set an effective date if and when it secured enough approvals. It did not get enough. Sixteen states approved, 14 disapproved and the rest stalled. Pearl did not use the plan at all.

Have to Want to Solve It

Important insurers should want to have the machinery to insure important industries in the way they want to be insured and at a fair but not excessive profit, he asserted. Industries reached by multiple location forms include the largest and most important in the country, with their names on the New York Stock Exchange list. These industries in general do not expect a supplier—of material, service or insurance—to continue serving them at a loss. Conversely, they are not willing to nor will they pay retail prices for merchandise or insurance which they can buy at wholesale. The only commodity they buy at retail is the postage stamp.

Several obstacles hinder introduction of a workable and salable plan, he said. Among them are fear of anti-discrimination laws, state and federal. Mr. Gallagher believes the fear is overempha-

(CONTINUED ON PAGE 14)

Ohio Farmers Rally Draws 500

All of the territories in which Ohio Farmers is licensed were represented at the annual meeting of the company held at LeRoy. About 500 local agents attended. The annual school of insurance under the direction of D. P. Ely, production manager, was held Tuesday, the program being:



C. D. McVay

"Inland Marine Insurance", Robert P. Hyde, LeRoy; "Protect the Man Who Has", A. L. Hanigan, Philadelphia; "Garage Liability in 1950", Kenneth J. Myers, LeRoy; "Selling P. & C.O. Insurance", Charles J. Jones, Columbus; "More Income for You", James M. Altman, Parkersburg, W. Va.; "Appraisal Values for Coinurance", John E. Best, Columbus, Marion Lang, Cincinnati, and L. G. Hines, Peoria.

Wednesday morning the annual meeting of Ohio Farmers Ins. Co., was held, beginning with the welcome address of C. D. McVay, president. The financial and underwriting statements of the two Ohio Farmers companies were read by J. C. Hiestand, vice-president and secretary. Surplus of Ohio Farmers is \$4,519,498 plus a voluntary general reserve of \$600,000. This was a gain of \$1,177,841. The assets were \$14,375,164.

Ohio Farmers Indemnity showed a gain in surplus of \$106,393. During the year capital was increased to \$1 million making capital and surplus \$2,218,947. The assets were \$7,088,354.

At the annual meeting of Ohio Farmers Agents Assn. Leslie C. Graham of Cincinnati presided.

J. M. Dawson, economist of National City Bank of Cleveland, spoke on "The Business Outlook". Webb I. Vorys, director of the company and attorney of Columbus, awarded the Ivy Trophy to the agents of the northeastern Ohio district for the best record of 1949. Vance Hines, state agent for northeastern Ohio, accepted the award for his district.

New president of the association is Charles Collier of Cleveland; vice-president, Carl R. Ike, St. Marys; secretary C. D. Palmer, Columbus.

At the banquet John A. Weber, director and attorney of Medina, was toastmaster.

Charles E. Curtis, vice-president and general counsel, presented statuettes of "The Old Man on the Fence" to agents with long terms of service.

Mass. Cards Installment Plan Hearing for Feb. 16

The Massachusetts department has scheduled a hearing Feb. 16 on installment payment plans. North America and Liberty Mutual Fire have filed such plans in the state and New England Fire Insurance Rating Assn. is supposed to have a filing under consideration. The hearing will be conducted by Second Deputy Commissioner Thomas H. O'Connell.

Say Area, Not Race Is Main Factor

NEW YORK — Superintendent Dineen has recommended to the New York legislature that auto liability limits required of motorists under financial responsibility law be doubled to 10/20 and that taxicabs be required to carry quadruple presents limits of \$2,500/\$5,000. Bills to double cab limits have been introduced in both houses.

Mr. Dineen cited higher jury verdicts, increased cost of medical and hospital care etc. as calling for increased protection. Added cost, according to the insurance department, would be about 20% over present premiums for lower limits but would affect less than half the motoring population since 51% now carry 10/20 limits or higher.

The Dineen recommendation was made during a senate debate of charges insurers are discriminating against Negroes and against congested population areas in writing life, fire and casualty insurance.

Specific Area Mentioned

Areas mentioned include Harlem and the east side in Manhattan borough, several sections of Brooklyn, parts of Queens and some sections of the Bronx. Sen. Condon, chairman insurance committee, read a report from the insurance department showing that reluctance of insurers to write in these areas is justified by loss figures. The report cited specific examples to indicate that it is area rather than race that prompts insurers to cancel or not to write business. Roy Campanella, star Negro catcher of Brooklyn Dodgers, had a policy canceled when he lived in east Harlem but it was reinstated when he moved to St. Albans, Queens.

The department is satisfied, Dineen wrote Condon, there is no premeditated design by insurers as a group to deprive any eligible risk or group of risks of needed coverage. As to Harlem, social and economic factors should be considered. If companies were permitted to write Negro lives at a slightly higher rate, now prohibited by law it would encourage some better companies actively to solicit business from the Negro population. Mortality on Negroes is higher and low cost companies do not solicit business on them.

Home Promotes Estes in Tex.

Home has promoted Clark M. Estes, special agent at Houston, to state agent at Lubbock in charge of the west Texas territory. He succeeds Herndon D. Johns, state agent, who is entering the local agency business.

Mr. Estes joined Home in 1943 after several years with the Texas insurance department and in the field with a general agency. He served as special agent in north and west Texas until 1947 when he was transferred to Houston.

St. Louis Brokers Elect

ST. LOUIS—Earl S. Crecelius was elected president of Insurance Brokers Assn. of St. Louis. Ray Bialson becomes first vice-president; Martin Paper, second vice-president; Clyde H. Scott, secretary, and John Hellmuth, treasurer (both reelected).

Robbins to National Board Employee Relations Post

Elliott W. Robbins, former manager of publications for Sylvania Electric Products of New York, has been appointed director of employee information for the National Board. Mr. Robbins will be in charge of developing an information program for employees of the company members of the board.

A graduate of Harvard University, Mr. Robbins has been managing editor of the Athol, Mass., Daily News; publicity director for Doremus & Co. advertising agency, in Boston; New England publicity director for N. W. Ayer & Son, Inc., advertising agency; and from 1938 to 1941 headed his own advertising agency in Boston. Since 1941 he has been manager of publications for Sylvania.

Escott Plan Held Back in New England States

Hearing on the appeal of America Fore to the Massachusetts department from a decision of the governing committee of New England Fire Insurance Rating Assn. to file the Escott plan has been postponed to March 22 by Deputy Commissioner T. H. O'Connell. The hearing was originally set for Feb. 8. The decision in Vermont and in Rhode Island hinges on the outcome of the Massachusetts hearing so the status quo will be maintained for a couple of months at least. Commissioner Bisson of Rhode Island has caused the rating association to withdraw its filing of the Escott plan in his state for 60 days from Feb. 2 and in Vermont, Commissioner Hemenway has ordered suspension of the filing indefinitely. Mr. Hemenway said he doubts that the proposed rules will provide rates on Vermont property that are not unfairly discriminatory.

Unique Direct Mail Folders Put Out by Appleton & Cox

Appleton & Cox are supplying their agents and brokers with a unique series of direct mail advertising pieces. Neither company name nor advertising appears on the cover, and the piece depends on interesting art work to draw the reader's attention to the inside where the folder treats a particular policy. One of the pieces, covering the fur and jewelry policy, adopts the theme of "Beauty and the Beast," calling "beauty" the prospect's furs and jewelry, and the "beast" the hazards of fire and theft.

On the back there is again no reference to the company, and the stress here is on doing a selling job for the agent and broker.

Assn. to Mark 25 Years

Preparations are being made by Essex County (N. J.) Insurance Agents Assn. for its 25th anniversary dinner at East Orange Feb. 20.

H. Earl Munz, president of the state association, will speak. All past presidents of the association will be honored guests.

Fire Company Experience in 1949 by Lines

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler-Leakage		Riot & Explosion		Motor Vehicle	
	Premia.	Paid Losses	Premia.	Paid Losses	Premia.	Paid Losses	Premia.	Paid Losses	Premia.	Paid Losses	Premia.	Paid Losses
Amer. Auto Fire..	11,941	46,677	800	15,745	7	276					12,526,553	2,931,638
Amer. Druggists..	548,804	129,512	40,372	8,039								
Blue Ridge, N. C.	100,318	58,412	12,845	1,051	265	28					863,188	378,753
Cimarron, Kan.	121,619	9,843	35,521	5,713	4,239							
Inter-Ocean Re...	2,930,529	951,073	534,235	47,294	4,531	45,735	5,811	727	3,036	227	97,439	
Natl. Union, D. C.	100,677	20,508	35,322	665								
Southwestern F. & C.	117,564	21,117	62,064	6,311	342	1	170				293,305	70,784
State Farm Fire, Ill.	1,577,817	488,484	623,065	265,860	5,246	4,033	224		7		136,534	70,784
Texas Standard ..	19,336	5,541	10,544	640							95,603	18,020
Transportation ..											306,661	68,125
Tri-State Fire, Tulsa	7,486	8,023	4,004	1,635	102	703					209,301	43,210
RECIPROCALLS												
Recip. Ex., Kan. City	607,994	222,205	108,180	24,078	4,155	928			147		1,992	
Retail Lum., Minn.	750,609	105,427	104,337	21,789	7,781	10,900						

Ramsey, Huber Up

Northern T. Ramsay, Jr. and Huber Up. Ramsay, Jr. was named as a candidate for the position of president of the National Board of Fire Underwriters. He was also named as a candidate for the position of vice-president of the board. Huber Up. was named as a candidate for the position of secretary of the board.

Illinois O 13% Coll

Illinois has a 13% collision rate. This is the highest rate in the country. The rate is based on the number of collisions per 100 vehicles.

Zone 5 M

The agency meeting at 5 M. The meeting was held at the 5 M. The meeting was held at the 5 M. The meeting was held at the 5 M.

Panel on

MINNEAPOLIS. A panel on the future of the insurance industry was held at the 5 M. The panel was held at the 5 M. The panel was held at the 5 M.

Republic

M. C. Pa. Republic of the United States. The Republic of the United States is a country that is known for its freedom and democracy. It is a country that is known for its freedom and democracy.

Milwaukee

MILWAUKEE. Mayor Zeid has prepared a plan to reduce the city's budget. The plan is to reduce the city's budget by 10%. The plan is to reduce the city's budget by 10%.

Conn. Dep

The Connecticut Department of Insurance has announced that it will be holding a hearing on the future of the insurance industry. The hearing will be held at the 5 M. The hearing will be held at the 5 M.

February 9, 1950

Ramsey, Vreeland, Etheridge, Huber Upped at Northern

Northern of New York has elected Oswald T. Ramsey treasurer succeeding Ramon V. A. Baker, who has retired. Mr. Ramsey joined the company in 1946 as assistant treasurer. Previously he was with Eagle Star, 1935-45, with Henry C. Landwehr, C.P.A., 1928-35, and Fred S. James 1918-1928.

Arthur Vreeland, Jr., was elected assistant vice-president. For several years he was assistant inland marine manager of Providence Washington at New York and joined Northern in 1948.

C. W. Etheridge becomes assistant treasurer. He spent 15 years with Commercial Union before going with Northern in 1947.

W. J. Huber was named assistant secretary. Prior to 1944, when he joined the company, he was with Standard of New York.

Illinois Okays Allstate's 13% Collision Reduction

Illinois has approved a 13% reduction in passenger car collision rates by Allstate and lesser reductions in commercial car collision and fire, theft and comprehensive for both private and commercial vehicles. The rates will go into effect on Feb. 10.

Zone 5 Meeting Agenda

The agenda for the N.A.I.C. zone 5 meeting at Omaha Feb. 14-15, which was announced by Director Stone of Nebraska, will include uniform accounting, instalment premiums, elimination of premium receipts for life and A. & H. policies, multiple line underwriting—the trend, rate approval—fire and casualty, multiple location risks, and auditing of annual statements by departments. Later additions may be made.

Rating supervisors and their staffs will meet Feb. 13 at Omaha.

Panel on Wage-Hour Law

MINNEAPOLIS—The new wage and hour law, which is raising many questions among local agents in Minnesota, will be taken up in a panel discussion put on at the Minnesota mid-year meeting by members of South-eastern Minnesota Regional Assn.

Republic Men Advanced

M. C. Patton, formerly secretary of Republic of Dallas, has now been elected a vice-president and J. C. Hurlbut also was advanced from secretary to vice-president.

G. H. Prier, Los Angeles manager, has been elected secretary and George J. Elmore of the head office has been elected assistant treasurer.

W. H. Damon, Jr., has been elected vice-president of the affiliated Republic Indemnity.

Milwaukee Asks Rate Cut

MILWAUKEE—At the request of Mayor Zeidler, the city attorney's office has prepared a petition to Commissioner Lange requesting a hearing to obtain a reduction in fire insurance rates in Milwaukee. To support the petition, the city is presenting a comparison of premiums paid and insured fire losses from 1920 through 1948. The petition sets forth that fire losses for the first 11 months of 1949 were \$712,070 below those for the similar 1948 period.

Conn. Department Form

The Connecticut insurance department is sending to agents of the state a short questionnaire form which it is asking them to fill out and return promptly, to learn what percent of the producer's business is written for members of the public, compared to what is written on his own property or the property of his employer. This is an effort to make the control business law,

passed last year, effective. It makes a producer ineligible for a license if "controlled" premiums exceed those paid by the general public.

Mike O'Sullivan Is Heard

Speaker at the Feb. 9 meeting of A. & H. Underwriters Assn. of Milwaukee was Mike O'Sullivan, president of American Farmers of Phoenix. His subject was "Our Business."

T. M. Dunlap, Chicago independent adjuster, has been reelected for the

eighth time as vice-president of the North American Yacht Racing Union. He has also been appointed a member of the U. S. Olympic committee for the Pan-American games to be held in Buenos Aires in 1951 and the 1952 Olympic games in Finland. He was a member of the U. S. Olympic committee of the 1948 games at London and represented the United States on the international jury of appeal for Olympic yachting.

Harold V. Smith, president of Home, on Feb. 1 celebrated his 40th anniversary with the company.

sary with the company.

Mr. Smith began his insurance career in 1910 with Franklin Fire, an affiliate which was merged into Home in 1948. In 1925 Mr. Smith became vice-president and director of Franklin. He moved to New York in 1929 as a vice-president of Home, and in 1937 was elected president.

American Aviation & General has appointed W. Harold Holman at Pittsburgh to assist Fred Zwetsch, manager.

Beneficial Fire & Marine has applied for admission to Utah and Nevada.



This "fire-proof" office equipment, patented about the time this company was founded 96 years ago, consisted of metal shelves, on wheels, which rolled out along fixed rails. In those days, it appears, the office boy really earned his money.

PRINT FROM THE BETTMANN ARCHIVE

Despite great strides in fire prevention methods since operation of the office "railroad" pictured above, our country's fire losses have steadily increased. In 1948 alone, losses were 122% higher than in 1942! As insurance men, all of us must do everything possible to help prevent this waste — by working with local fire officials, by organizing community action.

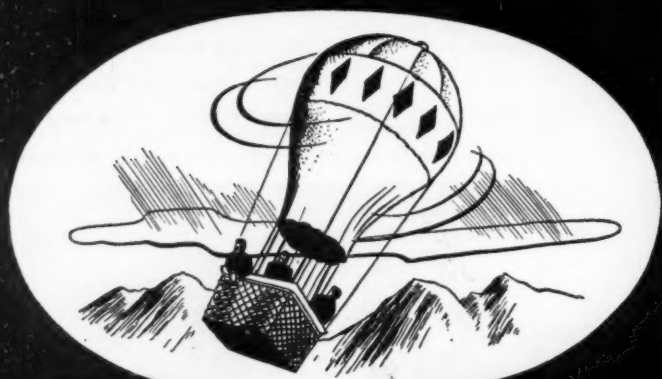
Every Type of Property Insurance for Industry and the Home.

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of Watertown N.Y.



Empire State
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of Watertown N.Y.

Fascinating First Facts!



THE FIRST BALLOON FLIGHT IN THE U. S.

George Washington was present at the first balloon flight in America, which was made in 1793 by a Frenchman, Francois Blanchard. He gave the pilot a passport which allowed him "to pass in such direction and to descend in such places as circumstances may render most convenient."

Whatever the circumstances, the broad coverages of the Saint Paul Companies can be your passports to greater sales.

Members, American Foreign Insurance Association, offering world-wide insurance facilities.

ST. PAUL FIRE and MARINE INSURANCE COMPANY MERCURY INSURANCE COMPANY ST. PAUL-MERCURY INDEMNITY COMPANY

First chartered almost a century ago

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HOME OFFICE
111 W. Fifth St.
St. Paul 2, Minn.

PACIFIC DEPT.
Mills Building
San Francisco 4

Field Men Alert to Competition

The meetings which the fire companies are conducting at this time of year with their field men differ markedly in tone from those of recent years. The field men have been coming up against some real competition, and both companies and field men recognize the need to gird for a real fight. The field men themselves recognize that in the days ahead they will get a real testing.

There is even talk that the excepted city commissions may spread at least to some extent into ordinary territory. With no self control within the industry over commissions, the pressure is on and there is a general apprehension that it will burst a new seam at any time. The changed circumstances of today as compared with a couple of years ago seems to be summed up in the story of the field man who recently called on an agent. The agent pointed out that two years ago he went to the company's home office at some expense to himself and begged it to appoint him as agent. He needed another company very badly. The insurer was not in a position to accommodate him. Now the insurer's field man was in the agent's office with a bundle of supplies that he would be happy to leave. The agent said that he didn't need the company now, he already has seven insurers in the agency.

Another factor in the competitive picture is that today the fire insurer has to meet all competition. It is not divided up into "association" and "non-association" agencies any more. Thus there are more companies in an agency looking for business. In the office is the casualty company that now is writing fire, and in this new development the field men are keenly interested. As yet only a few casualty insurers are actively soliciting fire business, and there is as yet no evidence that they constitute a present competitive factor of any consequence. But it is another item in the not too distant future.

Garrison to Atlantic Mutual

Maynard G. Garrison has joined the inland marine department of Atlantic Mutual at Los Angeles. Mr. Garrison, who has been with the claims department of Aetna Casualty, is a nephew of Maynard Garrison, former California commissioner and now a partner in the Wallace, Garrison, Norton & Ray law firm of San Francisco.

Special Risk Group Elects R. A. Nelson

Robert A. Nelson, assistant manager of Atlas, was elected chairman of Western Conference of Special Risk Underwriters at the annual meeting last week in Chicago. He succeeds W. E. Newcomb, manager of Great American.

The new vice-chairman is George V. Whitford, assistant manager of Fire Association. Kenneth S. Ogilvie, assistant manager of Western Underwriters Assn., was re-elected secretary-treasurer.

Membership in the conference now numbers 125 representatives of about 10 companies.

Details of Fire Rate Reduction in New Jersey

The new fire insurance rates effective in New Jersey Feb. 1, represent about 5% reduction on dwellings and contents.

Private garages and private outbuildings on the premises of private homes will now take the rate of the home of the same construction. This results in a reduction in premium on this class of approximately 40%.

The reduction in premiums for the 3-year term for which policies of fire insurance on private homes, private garages and their contents are customarily written will be approximately \$2,500,000, according to the Fire Insurance Rating Organization of New Jersey.

Other rate adjustments involving both increases and decreases were also made on chemical works; churches, chapels, parish houses and Sunday schools; educational institutions; food products manufacturing; public and bus garages, including auto service and filling stations; hotels and clubs; laundries and dry cleaning establishments; lumber, building material and mill yards; milling and grain risks; oil refineries and distributing stations; public buildings including hospitals; public utilities of certain classes; textile manufacturing risks; theatres and motion picture houses; woodworkers; and manufacturing risks equipped with automatic sprinklers.

The adjustments resulted from a review of the 5-year (1944-1948) loss ratios in New Jersey, as produced by application of the formula adopted by the commissioners.

The adjustments are the first major fire rate revisions since enactment of the present insurance rating law in 1944.

At Pa. Fire Anniversary Party



Company officials on hand for the 125th birthday celebration of Pennsylvania Fire at the Downtown Club at Philadelphia. Front row, left to right: C. L. Brandt, secretary in charge at Philadelphia; J. L. Magenheimer, secretary; George H. Duxbury, president; W. L. Nolan, vice-president. Back row, left to right: G. L. Scott, secretary and general adjuster; W. J. Traynor, assistant secretary and advertising director; Albert E. Lehman, secretary; M. M. Pease, vice-president and marine manager; S. R. Howard, secretary in charge at Chicago; E. Mc Loughlin, general counsel, and R. T. Stewart, secretary.

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C. M. New of M.

C. M. New of M. has been elected chairman of the Service Forster Evans, G. These off organization committee of the offi erning co were L. Fire; J. K. Rearden, Providenc Rygel, H. Walter the retirin that while of opinion credit and plan, the in favor of been appr

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C. M. Close Named New Chairman of M.S.L.O.

C. M. Close, Great American, has been elected chairman of the governing committee of Multiple Location Service Office. A. L. Ross of Crum & Forster is vice-chairman, and J. C. Evans, Great American, is treasurer. These officers were elected at an organization meeting of the governing committee following the annual meeting of the office. Those elected to the governing committee for three year terms were L. S. Harvey, New Hampshire Fire; J. K. Hooker, Automobile; W. B. Rearden, Firemen's; R. Stockton Rush, Providence, Washington, and John Rygel, Hanover Fire.

Walter L. Falk of Royal-Liverpool, the retiring chairman, in his report said that while there has been a difference of opinion in the membership as to the credit and surcharge permanent rating plan, the majority has invariably been in favor of this program. The plan has been approved for use in 10 states.

Countersignature Endorsement

Mr. Falk said an important adjunct to the plan is the development of a countersignature endorsement which will eliminate the necessity for use of the expensive procedure of issuance of underlying policies. The rating plan and the procedure of handling its details provide means by which policies will be issued in strict compliance with the laws. Rating and audit bureaus have complete information so they may determine that policies are properly rated and written. He expressed the hope that the proposed plan for determining the cost of handling multiple location business in conjunction with the insurance commissioners, may be carried forward rapidly. This information may well prove to be the means whereby many differences of opinion regarding the rating plan may be resolved, he said.

Mr. Falk referred to the fact that during the year, the means whereby companies may subscribe to the services of the organization without becoming members have been provided. He said it is gratifying that mutual companies can find a common ground with the stock group for the handling of multiple location business.

For the first time since the development of rules for reporting forms involving less than five locations, the research committee has developed a uniform set of rules that has been recommended to the regional and rating organizations and it is hoped that there will be uniform adoption of the recommended rules and elimination of differences that have existed in the past. When and if this comes about, the handling of interstate form A accounts should be simplified.

There is a sharp increase in the budget and efficiency experts from member offices are going to review the procedures of M.L.S.O. with the aim of bringing about a reversal of the cost trend.

Muldoon Named Marine Manager for A.F.I.A.

American Foreign has appointed A. G. Muldoon marine manager, and E. B. Reid, marine underwriter. J. F. O'Brien was named assistant to Secretary Eric Arpert.

Mr. Muldoon has been with A.F.I.A. for 28 years, having served in China, the Philippines and at the head office.

Mr. Reid was formerly with the head offices of London & Lancashire and London Assurance, later becoming associated with W. H. McGee & Co. He served in Madras, India, and joined A.F.I.A. in 1949.

Mr. O'Brien has been at the head

office for 28 years with foreign service in Chile and China.

William W. Glass, recently appointed assistant general manager, is now visiting the head office, and will return to London about Feb. 15. Another visitor is Robert H. Chapman, Jr., supervisor for Colombia. Mr. Chapman is on furlough, and will visit California this week.

office of insurance sponsored by New Jersey Assn. of Insurance Agents. On Feb. 2, he addressed the opening session of the Morris county course. His talk on "Visual Aids to Education" was illustrated by slides demonstrating the effectiveness of visual aids in orienting students and new employees to the business.

Cosgrove Talks to Agent Schools

John N. Cosgrove, assistant secretary of American, spoke at the opening session last week of the Newark school

Underwriters Laboratories in Can.

TORONTO—Underwriters Laboratories of Canada has purchased a building here where testing of appliances will

be conducted on the same standards as at Underwriters Laboratories at Chicago. A close affiliation will be maintained between the organizations. It will be financed by the insurers and operated on a non-profit basis.

Officers of Underwriters Laboratories of Canada include: W. E. Baldwin, All-Canada Insurance Federation, president; A. Leslie Ham, Dominion Board, secretary; J. J. O'Brien, Canadian Underwriters Assn., secretary.

The Matlock agency, established at Eldorado, Kan., last year, has moved to Wichita.

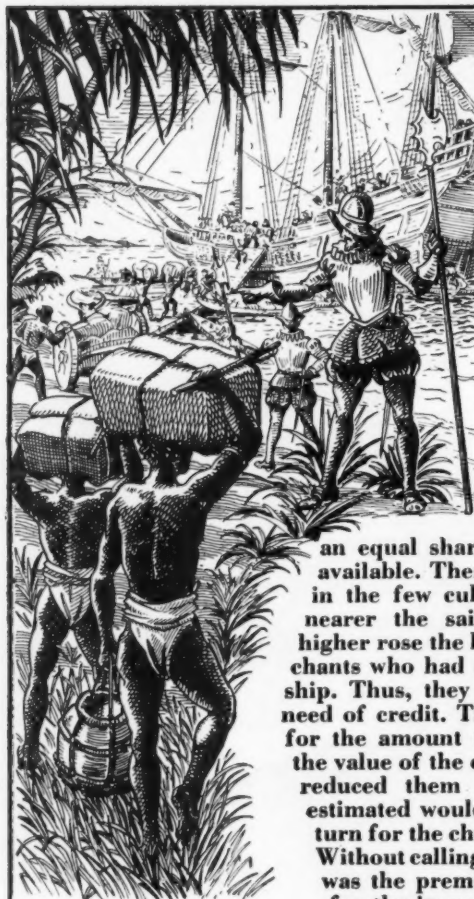


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American National	•	American Alliance
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Highlights IN INSURANCE HISTORY

CARGO INSURANCE ... 17TH CENTURY VERSION...

Once a year, a Spanish royal galleon was authorized to sail from Manila to Acapulco. Each Philippine resident was entitled to an equal share in the cargo space available. There was a "gold mine" in the few cubic feet allotted. The nearer the sailing date came, the higher rose the bids made by the merchants who had accumulated cargo to ship. Thus, they found themselves in need of credit. They wrote their notes for the amount that corresponded to the value of the cargo, and the lenders reduced them to the amount they estimated would give them a fair return for the chance of loss they took. Without calling it thus, such discount was the premium the shipper paid for the insurance of his shipment.

The facilities of the National Union and Birmingham Fire Insurance Companies and their reinsurance treaties are more than adequate to take care of any size risk.

NATIONAL UNION and BIRMINGHAM FIRE INSURANCE COMPANIES

PITTSBURGH  PENNSYLVANIA

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AVERAGE ADJUSTERS

Chicago New York San Francisco Minneapolis Detroit Boston
Los Angeles Pittsburgh Seattle St. Louis St. Paul Duluth
Indianapolis Portland Superior Washington Cleveland Buffalo
Columbus Phoenix Vancouver Montreal Havana London

Settle on Chicago Spot for N.A.I.C. Office

The new headquarters office of National Assn. of Insurance Commissioners, it has now been decided by the committee in charge, will be located in the Illinois state office building at Chicago, which is at 160 North La Salle street. The new executive secretary has not yet been finally selected, but there is to be a meeting of a number of commissioners at Chicago in the near future to make that selection and also to take up one or two other matters of immediate importance.

Change Lansing Clinic Date

LANSING, MICH.—The final clinic of a series being conducted for Michigan agents and their office help by Michigan State College, the Michigan Assn. of Insurance Agents and other groups, will be held here Feb. 15 instead of Feb. 16 as originally planned. Instructors on "General Liability" and "Personal Property Floater vs. Residential Burglary" will be F. R. Grosvenor, U. S. F. & G., Detroit, and R. N. Brannan, Maryland Casualty.

Ross Extends Schedule

Kenneth Ross, Arkansas City, president of Kansas Assn. of Insurance Agents, has announced a further schedule of visitations to local boards: Feb. 7 and Feb. 8, Salina; Feb. 9, Dodge City; Feb. 28, Hutchinson, and March 1 Topeka.

Ore. Mutual in Pool

Oregon Mutual has become an accepting member of Mutual Reinsurance Bureau of Belvidere, Ill. It becomes the ninth participating member company.

Moriarty Joins C. & R.

Robert J. Moriarty has been appointed special agent at Grand Rapids for Corroon & Reynolds assisting Leo D. Anderson who has been in charge of western Michigan for a number of years. Mr. Moriarty attended University of Michigan and has had three years of inspection bureau experience. Until a short time ago he was with North British as a special agent in Ohio. His grandfather was P. J. Moriarty of North British, who was one of the most prominent field men in Michigan for a long period of years.

Finance Traffic Training

Oklahoma City Assn. of Insurance Agents has donated \$12,500 to the city to underwrite expenses of sending key traffic officers to the traffic courses at Northwestern University for the next five years.

New Agency at Buffalo

Multiple Line Insurance Agency has been organized at Buffalo and also will open an office in New York City.

President is Stephen H. Gow, treasurer Walter J. Mahoney and secretary Gilbert J. Pedersen. Mr. Gow has been superintendent of Aetna Casualty at Buffalo. Mr. Mahoney is Republican state senator and Mr. Pedersen is a member of the law firm of Smith, Kendall & Pedersen.

E. H. Miller, Illinois state agent of North British who was badly injured in an automobile accident at Champaign Jan. 24, is making a good recovery and now gets about on crutches in his room at Burnham City hospital. He expects to be back on the job in six or seven weeks.

Earl B. Brink, Michigan manager of Mutual Benefit H. & A. and United Benefit Life, has returned from an around-the-world trip on which he and Mrs. Brink took colored movies in Europe, Africa, Asia and Indonesia.

Plan Town Inspections of Newton, Lawrenceville, Ill.

Illinois Fire Prevention Assn. will inspect Newton Feb. 28, and Lawrenceville March 1. It is expected that 25 field men will turn out for the Newton inspection, while 30 will be on hand at Lawrenceville. Arthur L. Corey, Travelers Fire, will speak at the banquet at Newton, and speaker at Lawrenceville will be John W. Fraser, Great American.

Arrangements for the inspections were made by E. F. Conour, North British.

Agents to Hear G-Man

Monmouth County (N. J.) Assn. of Insurance Agents will hold a dinner meeting at Asbury Park Feb. 15. The speaker will be a representative of the Federal Bureau of Investigation.

Walter Reid has been appointed chairman of the nominating committee and Jack Bryan chairman of the public relations committee.

Join National Fire in Cal.

A. William Fuller and S. E. Humphrey have joined National Fire in the southern California field with headquarters in the Fidelity building, Los Angeles.

Mr. Fuller will take the northern section of southern California. He has been with Corroon & Reynolds. Mr. Humphrey's territory will comprise the southern and eastern parts of Los Angeles county.

Hear Bronson at New Haven

Leo E. Bronson, independent adjuster of New Haven, was the speaker at the January meeting of New Haven Assn. of Insurance Agents. Mr. Bronson discussed adjustments which effect loss of rental income.

Enters Fire and E. C. Field

Farmers Mutual Automobile of Madison, Wis., has started offering non-farm fire and extended coverage insurance in Wisconsin. Licenses to write the new line have already been issued in several other states.

Farmers Mutual Automobile has entered Iowa and is actively appointing agents in this state. An Iowa state director, who will reside at Des Moines will soon be appointed.

Richmond Marine Unit

Aetna Fire established a marine service office at Richmond. It is directed by State Agent Richard B. Elliott.

M. A. Kern Again Active

M. A. Kern, who was president of Alliance Life of Chicago which was acquired last year by Republic National Life, reportedly is in process of organizing a new insurance company to be known as All-American Casualty.

May Cover Employes

Counties in Wisconsin may legally pay part or all of the premiums on group A. & H. and hospital insurance for their employes, according to an opinion by Atty. Gen. Fairchild.

Four New Pittsburgh V.-P.'s

PITTSBURGH—L. R. Pierson, J. N. Stewart and Frederic Burroughs, Jr. have been elected vice-presidents of Marsh & McLennan, it is announced by F. L. Hull, vice-president in charge of M. & M. here.

The W. A. Schickedanz agency of Belleville, Ill., has been appointed general agent for La Salle Casualty of Chicago.

Dr. Paul Mundie, consulting psychologist to industrial firms, spoke on "Psychology in Organization" at a dinner meeting of Insurance Women of Milwaukee. Members of the Chicago, Racine and Madison clubs were guests.

COOK COU

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CHICAGO

COOK COUNTY CHANGE

In order to conserve his health Thomas F. Charlton is relinquishing his present exacting post as manager of the Cook County branch of Western Adjuster and joins the head office staff as executive supervisor. He will be succeeded by Edward R. Brunke.

Mr. Charlton has been an adjuster for more than 40 years. He joined Western in 1908, and save for an interval of 11 years his entire career has been with that organization. For many years he was manager at St. Paul. In 1938 he joined the Cook County branch adjusting staff and was appointed manager in 1945. Mr. Charlton is a Canadian by birth and started in the insurance business in Toronto with Western Assurance and British America.

Mr. Brunke has been with Western since 1930. During his career with the company he served successively at Terre Haute, Rockford, Chicago south side, general adjuster in the Rockford area, and in 1948 was appointed assistant manager of the Cook County branch. Mr. Brunke is well known to the adjusting fraternity of Cook County. He will be assisted by Ross Richards as assistant manager.

Executive General Adjuster R. M. Beatty continues in overall supervision of the Cook county operation. Mr. Beatty is also an officer of the company.

NORTH ENLARGES QUARTERS

Thomas T. North, Inc., Chicago independent adjusting firm, has leased an additional 400 square feet of office space adjoining its present quarters in the Insurance Exchange building. The firm added last year fire and allied lines adjustment and increased its staff 25%.

NAME NOW KUETER & HAIGH

The name of Kueter & Olson, Chicago independent adjusters has been changed to Kueter & Haigh. George Olson, partner, died in 1944. Paul J. Kueter has continued operation under the original name and now Ralph K. Haigh, who has been a staff adjuster for five years, becomes a partner.

NEW YORK

JACKSON REELECTED PRESIDENT

At the annual meeting of Board of Underwriters of New York, Harold Jackson, president of Wm. H. McGee & Co., was reelected president. He is a director of many organizations allied with shipping and marine and is vice-chairman of International Union of Marine Insurance.

BROKERS EYE COMMISSIONS

The General Brokers Assn. of the Metropolitan District at a meeting in New York City approved by a resolution the principle of a uniform brokerage commission of 20% on all general insurance classes except workmen's compensation. A. & H. and ocean marine are excluded. This follows the action of America Fore in establishing a 20% commission across the board on automobile business in metropolitan New York City. Copies of the resolution were forwarded to other broker and agent groups in New York for endorsement.

AMERICAN PLAN CORP. MOVES

American Plan Corp., formerly at 16 Liberty street, New York, has moved into larger space at 44 Wall street. The organization handles physical damage insurance on financed vehicles, and it also has complete departments for credit life and credit A. & H. insurance. Branch offices are maintained at Atlanta, Richmond, El Paso, Salt Lake City and San Francisco.

Associated Aviation Puts Out Booklet for Agents

Associated Aviation has published a thumb index booklet on aviation insurance that includes information as to underwriting, eligibility of agents and brokers, commission scales, premium payments, handling of losses and general information, together with details about the four major classes of coverage and rate indications.

An aircraft price list section is included to assist the agent in determining insured values for premium purposes, and there is a comprehensive list

of aviation prospects arranged to show the type of coverage each should require.

Associated has not made a general distribution of the booklet in view of the fact that many agents and brokers do not have sufficient volume of aviation business to require one. Copies may be obtained from Associated Aviation at the home office in New York.

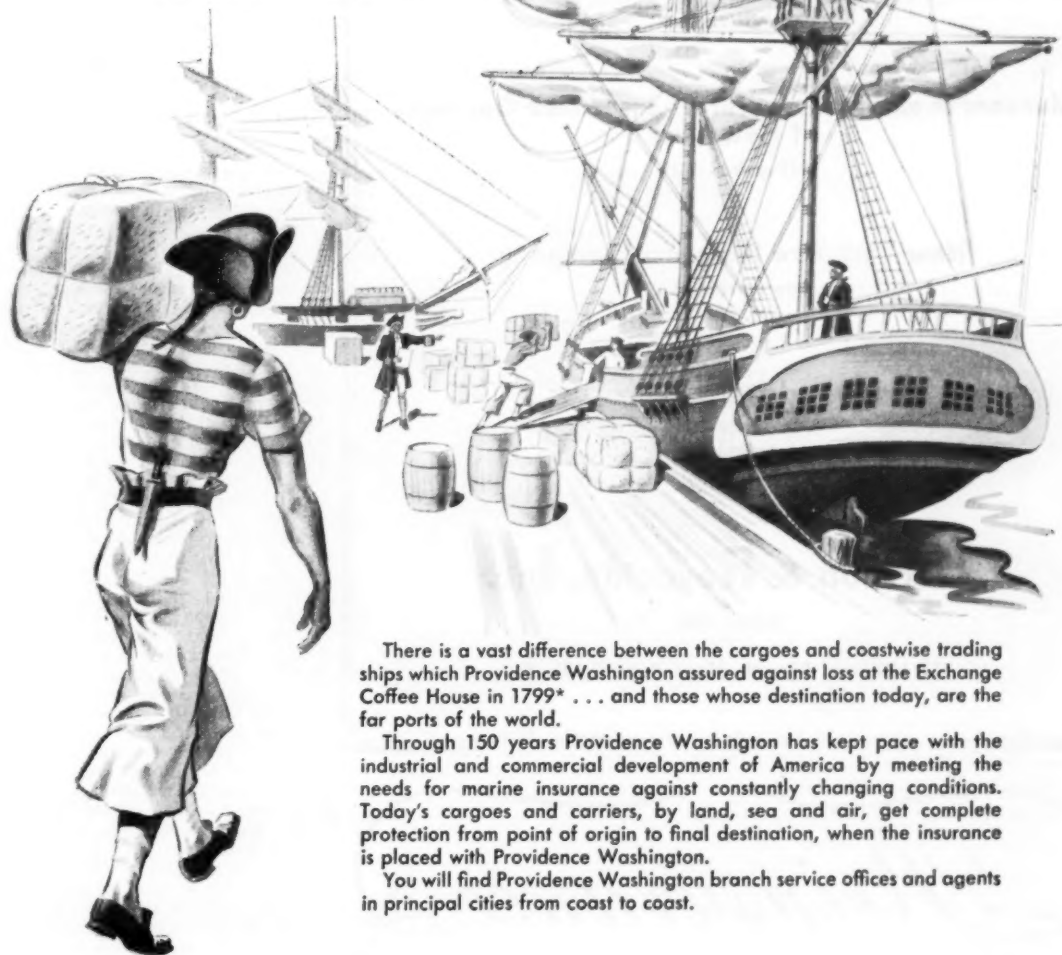
Cleveland R. Willcox, associate manager of Home at Atlanta, will be campaign manager for the American Cancer Society's drive to raise \$248,000 in Georgia next April.

May Start Insurance Co.

RALEIGH, N. C.—North Carolina Farm Bureau will be asked to establish an insurance company for its members when it meets here on Feb. 11, according to J. Vivian Whitfield, a member of the bureau's board and chairman of its food and vegetable committee.

Mr. Whitfield estimated that North Carolinians are paying \$4 million annually in premiums to Ohio Farm Bureau companies, and said that the resolutions committee of the N. C. Farm Bureau will receive a proposal to establish a company to write all lines.

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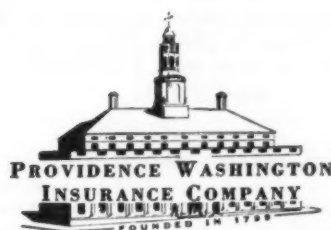


There is a vast difference between the cargoes and coastwise trading ships which Providence Washington assured against loss at the Exchange Coffee House in 1799* . . . and those whose destination today, are the far ports of the world.

Through 150 years Providence Washington has kept pace with the industrial and commercial development of America by meeting the needs for marine insurance against constantly changing conditions. Today's cargoes and carriers, by land, sea and air, get complete protection from point of origin to final destination, when the insurance is placed with Providence Washington.

You will find Providence Washington branch service offices and agents in principal cities from coast to coast.

*A Rhode Island ship, perhaps seventy feet overall, bound for the West Indies, would take on a mixed cargo; four or five horses, several hundred hens and geese, barrels of apples and fish, a large lot of native cheese, clapboards, and staves. These the captain would trade for sugar and allied products.



ANCHOR INSURANCE COMPANY, PROVIDENCE WASHINGTON INSURANCE COMPANY, PROVIDENCE, R. I.

Forkels Now Both V.-P.'s

Verne W. Forkel has been promoted to vice-president of Hooper-Holmes Bureau. He has been assistant vice-presi-

dent at the New York executive offices. He continues in the sales division. He has been with Hooper-Holmes since 1934. He is a brother of E. H. Forkel, vice-president and western manager of National Fire.



American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Merchants and Manufacturers Insurance Company of New York

Organized 1849

New York Fire Insurance Company

Incorporated 1832



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MANAGER

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Adjusters Review Current Problems At Eastern Session

NEW YORK—John Roane, Baltimore, regional vice-president, presided at the meeting of the eastern regional conference of the National Assn. of Independent Adjusters here. At the closed morning session adjusters discussed current problems.

Many company representatives appeared at the noon cocktail party and dinner Monday at which 120 were present. Vice-president Thomas S. Buchanan, Aetna Fire, Hartford, praised the monthly bulletin being issued by the adjusters' organization. He said that better relations could be developed between independent adjusters and companies if there were some clearer explanations on the operating methods of home office loss departments available to adjusters. This problem and that of multiple line adjusting were good subjects for bulletin treatment.

All company loss departments, Mr. Buchanan said, are wrestling with unified loss handling under multiple line operations. It had been decided in the Aetna-Century, he declared, to go ahead with separate handling of losses under the different lines but to work toward a single loss department for all lines, operating under department heads, rather than to have two or possibly three separate loss departments, fire, inland marine and casualty.

Great Aid to Ideal Mutual

Independent adjusters have been of great aid to Ideal Mutual, J. M. Ryan, president, said. This company is five years old, operates in 29 states and handles a number of the casualty covers on risks of National Dairy Products Corp. He said his company takes over these casualty covers for National Dairy as rapidly as Ideal moves into a state.

Thomas Hawkins, Mutual Loss Research Bureau, described the fire adjuster's job as essentially one of fact finding, first to get the facts about the cover on the risk and next to get the facts about the accident. A scintillating personality was never a substitute for use of a rule and climbing up into the attic if necessary to find out exactly what happened. Mr. Hawkins does not believe that casualty adjusters can do a satisfactory job of adjusting in the fire field without some special study and training. He thought that adjusters not qualified to handle one or another kind of loss might well tell the insurer just that when approached to handle them. He wants more specialization rather than less. A uniform method of reporting on losses would save a lot of time both for adjusters and for adjusting firms and companies. Too often a letter report overlooks a vital fact while different forms emphasize different facts according to the viewpoint of the fact-gathering organization.

As soon as an independent adjuster receives a loss assignment, he might well have the girl in his office acknowledge receipt of that assignment to the insurance buyer who has had the loss. That insurance buyer is usually sitting on the edge of the chair waiting for the telephone call or pacing impatiently about his office or apartment waiting for the adjuster's appearance. A good way to start off wrong, is to have the insurance buyer wait for two or three days after reporting his loss before he hears anything further. Office settlements of fire losses are likely to be carelessly done, said Mr. Hawkins. He also is convinced that too much authority for getting inventory information is being delegated to salvage men.

The West Coast, southeastern and eastern regional meetings of N.A.I.A. have now been held. The southwestern, Rocky Mountain and northwest are soon to follow. Les Kizer, Waco, Texas, is president of the association.

Owner Is Denied Rights Under Lessee's Policy

Hanover Fire, under a decision of the Pennsylvania supreme court, is relieved of the necessity of answering to the owners of a building destroyed by fire that had been insured by lessees in their names only and for the loss of which the lessees had not made claim against Hanover. The case was Spires et al. vs. Hanover.

Spires in 1944 leased a tract of land to Mary E. Kaehler and she later took Louis A. Raub in as a partner in the operation of an airport on the land. There was one hangar on the place and it was provided that if the lessee built additional hangars there they should remain the lessee's property and be removed by the lessee at the termination of the lease. She agreed to keep all buildings insured at her own cost and expense and to keep all runways and hangars in good condition and proper repair at her own cost and expense.

In 1946 Kaehler and Raub got a policy from Hanover insuring them, and covering the hangar that was on the place originally and two other hangars that Kaehler and Raub had put up, together with personal property of the lessees in the three structures.

In March, 1947, a fire totally destroyed hangar No. 1 and other property. Kaehler and Raub settled with Hanover for the loss but in an amount which did not include the value of hangar No. 1. They refused to file a proof of loss in regard to that hangar or to file any action against Hanover in respect thereto. Spires then filed a proof of loss and brought action against Hanover to recover.

The sole question, according to the court, is whether Spires can recover on a policy in which he is not named as a party and in which he is not referred to in any way whatsoever. Apparently the only ground on which the lessor asserts a right of action is the contention that the insurance was taken out for his benefit in pursuance of the provision to that effect in the lease. The court said this claim is untenable. The lessee was obligated to keep the hangar in good condition and repair at her own cost and expense; accordingly she was obliged to restore the hangar at the time of the termination of the lease even though it meanwhile were destroyed by fire. What the policy insured was the interest of Kaehler and Raub in the property insured.

Another Reason Cited

Also, Spires cannot recover because whatever incidental interest he may have had in the policy and even if as between lessor and lessee, the lessor was meant to be a beneficiary of the policy, Spires is not referred to in the policy itself as an intended beneficiary indeed it does not appear that Hanover ever knew of the lease. The fact that Spires would be incidentally benefited would not give him the right to recover on the policy by virtue of an arrangement between him and the lessee where the insurer assumed no obligation to the lessor in the policy but believed itself to be insuring only the interest of the named insured.

A dissenting opinion contended that the complaint states a case in which Hanover should wish to state why it refuses to pay. Why, the dissent asks, did Hanover settle with the tenant and chattel mortgagee but refused to settle with the owner of the hangar? No reason appears why Hanover should not pay or at least state its defense if any. The settled rule is that summary judgment will not be granted unless a case is clear. If a case is not clear the parties must have opportunity to develop the facts at trial.

Call A Instal

LITTLE prement premium renewal in Arkansas, a hearing in a Graves to continued Feb. 17 will be the hearing Arkansas will be taken will return at Omaha chairman.

Inspection

Arkansas filed a for hearing, for America for premium from the Kansas but rating law filings must this instance accepted the America, a from that

The law 20 days a and not let. This hearing be

"Since the deal of diso of install annual renewal interested opportunity of their violations," Mr. tions have in addition have either plans current

partment. All who prepared to such oral p

Auto Divi

Grain D has decided on auto li April 1. A aircraft hu

By H. W. Co., 13

Aetna Cas
Aetna Fire
Aetna Life
American
American
American
American
Boston
Camden Fi
Continental
Fire Assoc
Fireman's
Fireman's
Globe & F
Great Am
Hanover F
Hartford
Home (N.
Ins. Co. of
Maryland
Mass. Bon
National C
National B
Nat'l Union
New Amst
New Hamp
North Riv
Ohio Casu
Phoenix, C
Preferred
Prov. Was
St. Paul F
Security, C
Springfield
Standard J
Travelers
U. S. F. &
U. S. Fire

*Include

Call Ark. Hearing on Installment Plans

LITTLE ROCK—Five-year installment premium plans and annual premium renewal plans currently in use in Arkansas will be given a thorough airing in a hearing set by Commissioner Graves to begin Feb. 17 and to be continued Feb. 20-21. The session on Feb. 17 will be merely a formality to open the hearing in compliance with the Arkansas fire rating act. No testimony will be taken then, as the commissioner will return that day from the meeting at Omaha of zone 5, of which he is chairman.

Inspection Bureau Asks Hearing

Arkansas Inspection & Rating Bureau filed a formal written request for a hearing, following application of North America for renewal of its installment premium filing Jan. 1 as a deviation from the term rule filing of the Arkansas bureau. Under the Arkansas rating law, deviations from bureau filings must be renewed annually. In this instance, the department had accepted the renewal application of North America, and the bureau is appealing from that action.

The law provides for a hearing within 20 days after receipt of such request and not less than 10 days' written notice. This made it necessary that this hearing be opened Feb. 17.

"Since this move crystallizes a great deal of discussion on the general subject of installment premium payment and annual renewal plans, I feel that all interested companies should have an opportunity to make a full presentation of their views on both plans or variations," Mr. Graves said. Thus, invitations have gone out to all companies, in addition to North America, which have either installment plans or renewal plans currently on file with the department.

All who wish to be heard are to be prepared to file briefs in addition to such oral presentation as may be made.

Auto Dividends Upped

Grain Dealers National Mutual Fire has decided to increase policy dividends on auto lines from 10 to 15% effective April 1. A rate of 15% is initiated on aircraft hull.

Ind. Mutual Company Assn. Holds Annual Meeting

INDIANAPOLIS—Elmer R. Krueger, president of Paper Art Co. and manager of the recent Hoosier trade tour to Europe, spoke on "Living in Europe Today" at the banquet of Mutual Insurance Companies Union of Indiana. Other speakers at the two-day meeting included Commissioner Viehmann of Indiana; Alex Hougland, state fire marshal; Harry P. Cooper, secretary National Assn. of Mutual Insurance Companies; Charles Sponseller, secretary Farmers Mutual Relief Assn. and Lynd I. Esch, president of Indiana Central College.

Brown General Agency Marks 75th Anniversary

The Edward Brown & Sons general agency of San Francisco on Feb. 11 will observe its 75th anniversary. This is reputedly the oldest general agency on the Pacific Coast. It has done business continuously under three generations of the Brown family.

The firm was founded by Edward Brown and in the early 1900's his son, Arthur M., took over. Arthur Brown

still makes regular appearances at the office after 65 years with the organization. With the advent of California Union Ins. Co., in 1949, the Brown office now manages a California owned and domiciled company.

The current active manager is Arthur M. Brown, Jr., and Arthur M. Brown III is finishing college and already has some insurance business experience. He will join the firm after graduating from University of California.

The general agency operates in eight states. During the year the field men will be summoned to San Francisco for a get-together.

Hold Detroit Hearing on Alleged Race Discrimination

A public hearing was held in Detroit Wednesday by the governor's committee looking for alleged racial discriminatory practices by insurers. Commissioner Forbes presided at the hearing, which was attended by the 10-member committee created by the 1949 legislature. Action was taken at that time on the basis of complaints made to the legislative insurance committees to the effect that Negroes, particularly in the Detroit area, were finding it impossible to purchase certain forms of life and

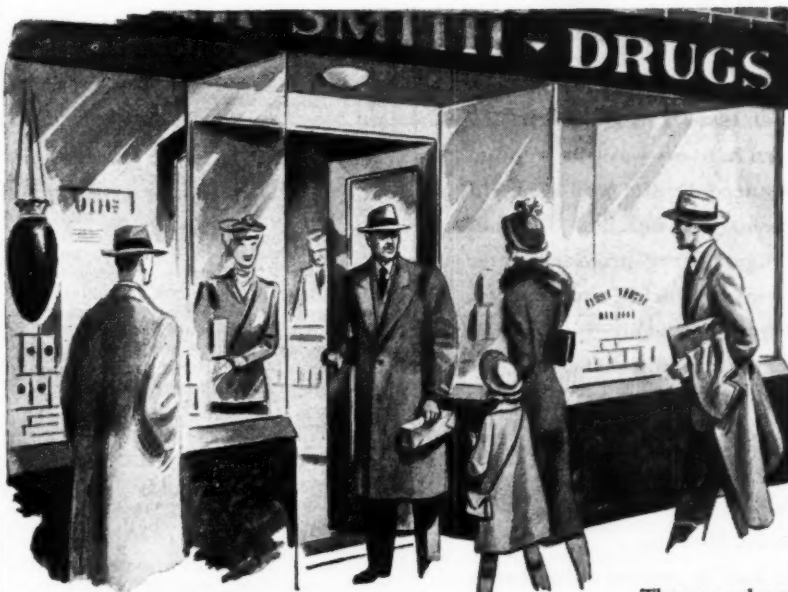
automobile coverage. The committee is headed by George Schermer, Detroit, director of the Detroit Mayor's Inter-Racial Committee.

Invitations to participate in the hearing were sent to Detroit church and civic groups which have taken up the question. It was urged that "specific information" be supplied the committee relative to any alleged discriminatory instances, including names of carriers and of persons claimed to have been the victims of discrimination.

Cut West Can. Dwelling Rates

EDMONTON, ALTA.—Tariff companies in the three western Canadian provinces are understood to be reducing fire insurance rates on dwellings, the result of a more favorable experience in recent years. This comes despite a higher loss ratio on business properties, which has brought about an "upping" of rates for that class.

According to Edmonton Insurance Agents Assn., rate reductions here range from 5% on brick dwellings to as high as 30% on dwellings not served by fire hydrants. On frame dwellings and contents in protected areas where fire hydrants exist, rate reductions are 16% and on stucco 12%.



THIS is the open-door policy!

An insurance policy is like a bottle of medicine—it can't do the job it's intended to do unless it has the right ingredients.

The man who sells thousands of different items... including toys, vitamin pills, sun lamps, patent and compounded medicines, sandwiches and ice cream concoctions... certainly needs a special type of insurance protection. But will he get it?

Will you open the druggist's door and sell him Druggist Liability and Products Liability insurance?

If you feel you need more information before presenting this form of insurance to the druggists in your community, write the Advertising Dept. for your copy of "True or False" and a reprint of an article titled "A Prescription for the Druggist."

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago
Feb. 6, 1950

	Par.	Div.	Bid	Asked
Aetna Casualty	3.00	.95	97	
Aetna Fire	2.20	.61	63	
Aetna Life	2.50	.81	83	
American Alliance	1.20	.25	26	
American Auto	2.00	.54	Bid	
American Casualty	.80	.16	17	
American (N. J.)	.90	.21 1/2	22 1/2	
American Surety	2.50	.61 1/2	63	
Boston	2.40	.63 1/2	65	
Camden Fire	1.15	.22 1/2	23 1/2	
Continental Casualty	3.50	.68	70	
Fire Association	2.50	.63	65	
Fireman's Fund	2.60	.93	95	
Firemen's (N. J.)	.60	.21 1/2	22 1/2	
Glens Falls	2.20	.52 1/2	54	
Globe & Republic	.60	.12 1/2	13 1/2	
Great Amer. Fire	1.30	.31	32 1/2	
Hanover Fire	1.60	.36	37 1/2	
Hartford Fire	3.00	.116	118	
Home (N. Y.)	1.60	.34	35	
Ins. Co. of North Am.	3.50	.104	106	
Maryland Casualty	.75	.19 1/2	20 1/2	
Mass. Bonding	1.60	.30	31 1/2	
National Casualty	1.50	.29 1/2	31 1/2	
National Fire	2.50	.61	63 1/2	
Natl. Union Fire	1.40	.37 1/2	39	
New Amsterdam Cas.	1.30	.41 1/2	43	
New Hampshire	2.00	.46	48	
North River	1.20	.27	28	
Ohio Casualty	1.20	.54	Bid	
Phoenix, Conn.	3.00	.99	102	
Preferred Acc.		5%	6 1/2	
Prov. Wash.	1.50	.36	37 1/2	
St. Paul F. & M.	2.60	.101	104	
Security, Conn.	1.60	.36	37 1/2	
Springfield F. & M.	1.90	.47	49	
Standard Accident	1.45	.38 1/2	40	
Travelers	12.00	.448	455	
U. S. F. & G.	2.00	.52 1/2	54	
U. S. Fire	2.00	.66	68	

*Includes extras.

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ROYAL INSURANCE COMPANY, LTD. • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • AMERICAN & FOREIGN INSURANCE CO. • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • THE NEWARK FIRE INSURANCE CO. QUEEN INSURANCE COMPANY OF AMERICA • STAR INSURANCE COMPANY OF AMERICA • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. EAGLE INDEMNITY COMPANY • GLOBE INDEMNITY COMPANY • ROYAL INDEMNITY COMPANY

Ohio Agents' President Interested in Many Projects

Harold S. Bowen, president of the Bowen Company, local agency at Norwalk, and president of Ohio Assn. of Insurance Agents, is now back on the job and back into his full schedule of extracurricular activities. He underwent a very severe abdominal operation last October and had to remain inactive until well into December. He is now hitting on all sixteen. During his convalescence his fertile brain was setting up interesting projects. One of the first of these is a series of meetings over which Mr. Bowen presides, which are held at the junior high school auditorium at Norwalk for the edification of men in the general sales field. This has no particular insurance application. Mr. Bowen rounded up a number of sales training films from various sources and scheduled a series of three meetings at which



Harold S. Bowen

these would be shown. There were 160 at the first meeting and 180 at the second, and on that occasion the group importuned Mr. Bowen to stretch this into a five meeting series.

Mr. Bowen is again piloting his own two-seater plane and may take a Florida trip in it before long. He makes frequent use of the plane in business and on pleasure, even though he makes it a practice to confine his flying to ideal conditions.

Mr. Bowen took up flying in 1941. Through the use of the plane he manages to have easy conferences with T. M. Gray, the executive secretary of Ohio Assn. of Insurance Agents, at Columbus. Mr. Gray goes to the airport and the two hold a luncheon conference nearby and then Mr. Bowen is off and back in Norwalk in the early afternoon.

Mr. Bowen has an able lieutenant in his local agency and also in his flying in the person of H. W. Veitch, secretary of the Bowen Co. Mr. Veitch is at the controls of the plane more frequently than he was prior to Mr. Bowen's illness.

Mr. Bowen has also taken on the chairmanship of the national affairs committee of Norwalk Chamber of Commerce. This is something that is being done throughout the country and it re-

quires a lot of preparation and attention. It involves a luncheon meeting every other week.

Krause, Hillman Form New Chicago Adjusting Office

Frank H. Krause and Wilbur C. Hillman, associated with the Frank L. Erion & Co. adjusting firm in Chicago, will open their own adjusting office on April 1 and will operate as Krause & Hillman with offices at 166 West Jackson boulevard.

Mr. Krause, who specializes in fire and inland marine losses, has been with Erion & Co. for 25 years and was a partner for the last 10 years. Previously he was state agent for Westchester Fire in Ohio. He started his insurance career in 1912 and was with several local agencies and companies in Chicago before going with Westchester.

Mr. Hillman, for three years a staff adjuster for Erion & Co., entered the business in 1924 in the loss department of Northern Assurance in Chicago. He became an adjuster for the Cook County Loss Adjustment Bureau when it was organized in 1926. He was also an adjuster for Wagner & Glidden in Chicago.

The new firm will specialize in fire and inland marine loss adjustments.

Okla. Insurers May Buy Open End Fund Shares

OKLAHOMA CITY—Commissioner Dickey of Oklahoma has issued a ruling permitting insurance company investment in so-called open end or mutual investment trusts under stipulated conditions. A company with at least 75% of its assets invested in accordance with the Oklahoma law may invest in open end trusts that have been registered at least eight years with SEC, that are registered with the Oklahoma bank commissioner and have assets of not less than \$10 million, that have paid a dividend in the past 10 years, but shall have no leverage factor such as bank loans or preferred stock; that has a pack or load of not more than 8½%. It is provided that not more than 10% of the assets of an insurance company may be invested in this way, and not more than 5% may be invested in any one open end fund. Life companies may not invest in funds that have any common stock in their portfolios and other types of insurer can't buy shares in these open end projects that are committed to common stocks to the tune of 60% or more.

Ore. Assn. Has Officers Meet

The executive committee of Oregon Assn. of Insurance Agents held an all-day conference with local association presidents at Portland.

Reports on local associations were made and there was an exchange of information regarding organization problems. Commissioner Taylor commented on the department's activities.

Charles H. Huggins of Salem, chairman of the executive committee, had charge of the meeting and President Harold S. Hays, Portland, submitted a report.

Seattle Co. Incorporates

D. K. MacDonald & Co., Seattle brokers, have changed their operation from a partnership to a corporation. D. K. MacDonald is president; R. W. Norquist, vice-president; Gregg C. MacDonald, vice-president; Sterling J. Stapp, secretary; William B. Morse, treasurer; and John H. Hale, assistant secretary.

U. S. Mutual Hearing

The Illinois department, it is reported, is holding a hearing Thursday morning on U. S. Mutual, which is affiliated with Illinois Automobile Club. It is understood it has been required to produce new funds.

Wis. Mutual Taxation Question Is Aired

John E. Kennedy of Madison, executive secretary of Wisconsin Mutual Insurance Alliance in addressing the annual meeting of Berlin Town Ins. Co. at Wausau, Wis., warned of the possibility that the town mutual companies that maintain policy reserves may be subjected to taxation and hence he suggested that such companies refrain from creating reserves. However, Ben Lang of McMillan Mutual took issue with this advice saying that reserves are splendid things to have, that it is in times like these when losses are low that the reserves should be built up and it is better to have them on hand even if taxed, than to do away with them or reduce them.

This was a 75th anniversary meeting of this company. State Senator Clifford Krueger of Merrill addressed the group.

Jones Opens Own Agency

Paul H. Jones, a past president of Arizona Assn. of Insurance Agents, has resigned from the Tucson Realty & Trust Co. agency and has opened his own insurance office at 39 South Stone avenue. This is a completely modern office.

Mr. Jones is a past president of the Tucson association and has served as secretary and president of the state body.

SPECIAL AGENTS THESE POSITIONS NOW OPEN

Fire, Pennsylvania	\$500
Fire, Indiana	425
Fire, Cook County	400
Bond, New York	400
Casualty, Chicago	400
Auto, Midwest	400
Casualty, Michigan	375
Fire & Casualty, Illinois	375
I. M., Cook County	350
Casualty, Ohio	350

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330 S. Wells Street HARRISON 7-9040
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Coats & Burchard Company

Appraisers

For correct coverage
and proof of loss

Chicago	New York
Detroit	Nashville
Cleveland	Dallas
Indianapolis	Burlington
	N. C.

The Pioneer Organization

"OUTSTANDING, EXCELLENT"

"Should be of assistance to any automobile underwriter," says FC&S Bulletin Editor James C. O'Connor, regarding new, copyrighted SPEED-AID Time Chart, used to determine quickly the proper age group for fire and collision insurance. Reproduced in January, LOCAL AGENT. Ten-day approval satisfaction or money-back guarantee. Two charts. Edition for 1950; in protective plastic sheatholders. \$1.25; loose leaf, \$0.50. Order TODAY from Fred Davis, 18 North Princeton Circle, Lynchburg, Virginia. Discounts on quantity orders.

LOCAL AGENCY WANTED

Individual wishes to buy an agency preferably in the midwest. Financially responsible. Excellent reference and knowledge of the business. Replies confidential. Address Y-53, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

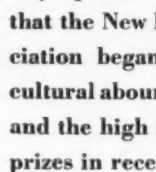
Claremont New Hampshire



Claremont, largest town in New Hampshire, has been called the "town that takes care of its trees."



Although modern in many ways, its colonial history is evidenced by the well-kept old homes and extensive lawns. The 300-foot fall of the Sugar River provides water power for factories producing shoes, paper, cotton and woolen goods, and mining machinery. Community spirit flourishes in Claremont: it was here in 1921 that the New Hampshire Tuberculosis Association began. An appreciation of the cultural abounds: the Community Players and the high school band have won state prizes in recent years; the Monday Reading Club has been in existence a half a century. But being practical New Englanders, the townsfolk like to point to Tremont Square, the busy center of the shopping district for surrounding New Hampshire and Vermont villages.



Claremont, largest town in New Hampshire, has been called the "town that takes care of its trees."

NEW HAMPSHIRE FIRE INSURANCE COMPANY

Incorporated 1869
MANCHESTER,
NEW HAMPSHIRE



GRANITE STATE FIRE INSURANCE COMPANY

Incorporated 1885
PORTSMOUTH,
NEW HAMPSHIRE



Colridge Tells of Work, Plans of Pacific Board

LOS ANGELES—Frank C. Colridge, general manager of Pacific Board, addressed Southern California Fire Underwriters Assn.

He named four points that the board is active in promoting. The first is education. The board is not in itself engaged in education work, but encourages other institutions to engage in the work. The next is the matter of conferences. The board has set up committees in each of the states to assist agencies in their plans. Research is another point, on which he said the board is trying to survey the business so that practices may be improved and made more effective. The final point was public relations. In its internal aspect, the staff is trying to do a good job and get credit for it. In respect to external matters in public relations the board has two projects, the series of advertisements that agents can use as institutional helps and which they are urged to use, and the speakers bureau. The board asks local agents to arrange for talks before organizations, and subject matter for these talks is available.

Cal. Winery Fire Reviewed

LOS ANGELES—Howard M. Swift, assistant district engineer of the Pacific Board, gave Southern California Fire Underwriters Assn. some of the details on the fire which recently destroyed the Cucamonga winery, and advanced a theory as to the possible cause of the blaze. He said but one source of water supply was available, and that when one pumper went into action it took all the water in the inadequate supply system.

He said that the probable cause of the fire was that the winery was pasteurizing the wine, that is, heating it to 250 degrees and then cooling it down to normal temperature, and that the cellar foreman, the sole person in the place,

putting down into the wine a stick with a thermometer attached may have hit a light bulb with the stick, causing it to break, and the resultant electric flash had caused an explosion that started the blaze. The foreman was smothered to death.

Gillies Goes Independent

James E. Gillies has opened an independent adjustment firm at Canton, O. Mr. Gillies was with the H. A. Waltz Co. for about 10 months and before that was with Celina Mutual Casualty as claim manager at Canton. He gained his early experience with Wilson F. Levens of Chicago and Employers Mutual Casualty of Des Moines.

To Hear Utilities Official

LOS ANGELES—Insurance Forum of Los Angeles at its next meeting Feb. 15 will have as speaker Robert A. Hornby, vice-president of Pacific Lighting Corp. He is responsible for the over-all insurance program of the utilities group and is expected to discuss what the companies expect of the insurance business.



Fire Company 1949 Statement Figures in Tabloid

	Assets	Inc. in Assets	Reins. Res.	Inc. in Reins. Res.	Capital or Stat. Dep.	Surplus	Inc. in Surplus	Net Prems.	Losses Paid	Loss Ratio
Blue Ridge, N. C.	1,607,437	526,427	612,274	171,991	500,000	889,164	347,535	993,685	489,431	44.1
American Auto Fire	13,181,061	3,747,122	6,985,321	2,468,763	600,000	3,387,186	662,609	13,351,749	3,257,592	24.4
American Druggists	2,960,279	217,755	360,559	23,210	750,000	2,382,931	50,646	589,176	137,551	23.4
Cimarron, Kan.	882,429	129,876	.....	.....	250,000	744,131	46,763	1,214,084	776,302	63.9
Inter-Ocean Re.	8,388,841	1,099,564	4,288,629	158,271	1,000,000	2,773,189	555,774	4,273,510	1,406,229	32.9
National Union, D. C.	805,171	40,264	189,736	42,450	300,000	569,615	-7,247	135,999	21,173	15.6
Southwestern Fire & Cas.	1,847,785	1,029,259	.....	.....	500,000	989,641	523,432	487,829	87,253	17.8
State Farm Fire, Ill.	5,071,349	703,909	2,562,837	338,913	300,000	1,730,495	324,533	3,099,083	935,190	30.2
Texas Standard	271,130	43,476	.....	.....	100,000	171,626	-9,733	125,484	25,789	20.6
Transportation	3,466,251	1,503,830	798,549	46,547	1,000,000*	2,372,321	1,482,918	702,706	259,085	36.9
Tri-State Fire, Tulsa	740,603	153,338	129,719	107,102	250,000	583,253	24,444	291,494	57,574	51.8
RECIPROCAL										
Recip. Exchange, Kansas City	1,901,089	67,811	802,489	-36,500	.....	901,027	90,971	755,199	254,580	29.1
Retail Lumbermen's, Minn.	873,809	162,367	257,594	24,752	.....	524,486	118,039	862,727	138,116	16.0

*Increased from \$300,000.

†Increased from \$500,000.

INTER-OCEAN REINSURANCE COMPANY

Cedar Rapids, Iowa

FINANCIAL STATEMENT AS OF DECEMBER 31, 1949

ASSETS

Cash in banks	\$ 659,777.69
United States Government bonds	3,561,309.27
Other bonds	1,809,215.88
Preferred stocks	577,419.00
Common stocks	974,100.00
First mortgage loans	213,566.93
Home office and other real estate	80,212.65
Accrued interest and rents	40,454.39
Premium balances (not over 90 days)	419,388.87
Reinsurance recoverable on paid losses	13,022.13
Surrender value of life insurance policies	40,374.29

Total admitted assets.....\$8,388,841.10

LIABILITIES

Unearned premiums	\$4,288,629.41
Reserve for losses	715,352.16
Reserve for adjustment expense	41,848.10
Reserve for taxes	258,548.59
All other liabilities	311,274.29

Capital	\$1,000,000.00
Surplus	1,773,188.55
Surplus to policyholders	2,773,188.55

Total.....\$8,388,841.10

Note: On the basis of December 31, 1949, market quotations for all bonds and stocks owned, the company's total admitted assets would be increased to \$8,396,594.89 and the surplus to policyholders to \$2,780,942.34. Securities carried at \$1,000,000 in the above statement are deposited as required by law.

HOME OFFICE
Cedar Rapids
Iowa

REINSURANCE
FIRE AND ALLIED LINES
PRO RATA AND EXCESS OF LOSS

EASTERN DEPARTMENT
90 John Street
New York

NEWS OF THE COMPANIES

Erie of Buffalo Formed by Equity and Bell Aircraft

Equity Corp. and Bell Aircraft of Buffalo have formed Erie Ins. Co. It will have a capital of \$1 million when licensed by the insurance department. Officers include executives of the Bell corporation and of Equity Corp., which operates a number of insurers including Hawkeye Casualty and Northeastern. The company initially intends to write fire and some reinsurance. Bell manufactures helicopters and it is understood Erie may provide the insurance on them. Officers are: Chairman, Lawrence D.

Bell; president, George Olmsted, who is chairman of Hawkeye Casualty; vice-presidents are William L. Cobb, Harvey Gaylord, David F. Define, who is also controller; Karl P. Anderson, also secretary; K. L. Crittenden, F. W. Strouse, George E. Allen, R. S. Elliot, Jr., P. F. McAniff, and J. P. Christensen, treasurer.

Republic Forges Ahead

Republic of Dallas in its new statement shows assets of \$16,536,998 which is an increase of \$2,480,781. Premium reserve went up \$1,806,643 to a total of \$9,743,759 and net premiums increased 21.9% or \$1,289,620. Combined loss and expense ratio was 79.3. The quarterly dividend of 30 cents is being paid Feb. 25 to stock of record Feb. 10.

Plan Big Stock Dividend for Northwestern Natl.

Stockholders of Northwestern National will meet March 6 to vote on a recommendation that the capital be increased from \$2 million to \$3,200,000. The plan will be to reduce the par value of the stock from \$25 to \$10 and declare a 60% stock dividend.

Northwestern National last year had an 11.7% increase in net premiums, the total being \$11,570,927. Underwriting operations produced a profit of \$1,162,844, and \$1,338,478 was added to the unearned premium reserve. Investment income was \$921,411, and the company ended the year with assets of \$30,622,443 and a policyholders' surplus of \$13,958,951.

Gulf Has Biggest Year in 1949

Gulf and its affiliated Atlantic recorded their best year in history in 1949 with an 18.2% underwriting profit on an earned basis. Net premiums increased by \$1,564,837, reaching a total of \$9,920,387. Premium reserve was increased by \$1,906,623, and the statutory underwriting profit was \$500,410.

President T. R. Mansfield reported that the company has made a change in its reinsurance on fire and allied lines. It has discontinued the use of pro rata reinsurance in favor of a "spread-loss" contract. This plan has been used in the automobile and in the marine departments of Gulf for some time.

During 1949, the company discontinued general agency operations in Colorado and New Mexico and substituted field men in those states. Gulf has entered Arkansas and now does business in 14 states.

The company had a net investment income last year of \$413,295. Assets increased by \$3,111,604 and now stand at \$16,495,236. Capital was increased \$200,000 by issuance of a stock dividend of \$100,000 and the sale of \$100,000 additional. The net surplus of Gulf Dec. 31 was \$2,509,020.

Rainier Nat'l Adds Fire, Inland Marine Covers

Rainier National has added fire and inland marine facilities. Miss Cecil Goodwin will manage the new department.

Miss Goodwin entered insurance in 1933 with Oregon Mutual Fire, later becoming Washington state manager. In 1946 she helped form the Hedges-Goodwin agency at Seattle. Here she became familiar with agency problems.

John R. Pope, Caledonian General Manager, to Retire

John R. Pope, general manager of Caledonian at the head office, will retire June 30 and will be succeeded by W. G. Robertson. Mr. Pope has 54 years of service with the company.

Mr. Robertson, manager of the London office, has been appointed deputy general manager until he succeeds Mr. Pope.

G. O. D. Watson, who has been secretary at the head office for nearly 30 years, will retire Feb. 28 and will be succeeded by R. Sullivan, who is now investment secretary.

Big North River Year

North River of the Crum & Forster group in 1949 had premiums of \$17,164,026, which is an increase of \$1,121,018. The loss ratio on the earned basis was 43.65, expense ratio 38.88, giving a trading profit of \$3,663,414 or 21.34%. With an increase in premium reserve of

\$1,527,508, the underwriting profit was \$2,135,906. Assets are \$44,114,938, premium reserve \$16,037,005, capital remains at \$2 million and net surplus is \$19,092,872.

"Ad" Program for Holland

HOLLAND, MICH.—An institutional advertising program was decided on by Holland Assn. of Insurance Agents at a meeting attended by W. O. Hildebrand, secretary-manager of the Michigan association. He outlined an advertising and public relations program of a civic nature suitable for adoption by the agents.

Seek Insurance Publicity

MINNEAPOLIS—To get a better "press" for the insurance business in Minnesota the Minnesota Assn. of Insurance Agents has engaged an experienced newspaper man, Robert Wihren, to prepare news stories of general interest on insurance. They will be sent to members of the association with the request that they take them in person to their local papers. It is believed better results will be attained this way than if the news releases were mailed to the papers.

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NEWS OF FIELD MEN

Crum & Forster Names Benard in South Dakota

Lawrence E. Benard has been named South Dakota special agent for Crum & Forster.

After his discharge from the army as a major in 1946, Mr. Benard entered the local agency business at Sioux Falls. He later was with a general agency as special agent and underwriter and office manager. His headquarters will be in the National Bank of South Dakota building, Sioux Falls.

The appointment of Mr. Benard rounds out the South Dakota field for Crum & Forster with Robert Franel as state agent and Mr. Benard and Dean Stackhouse as special agents.

Anthracite Field Club Elects Elmer Eggert

Elmer J. Eggert, Home, was elected president of the Anthracite Field Club of Pennsylvania at the 20th anniversary meeting at Wilkes-Barre. This is the second occasion upon which Mr. Eggert has served as president.

John K. Olson, Aetna Fire, is vice-president; William H. Edermody, General Adjustment Bureau, is treasurer, and Albert R. Adey, General Adjustment Bureau, is secretary. His father, Howard C. Adey, has been state agent for Firemen's of Newark for many years and was president of the club in 1936.

Committee chairmen named were: Membership, T. Howard Bacon, America Fore; entertainment, Harry W. Brown, Fire Association; June outing, H. W. Peterson, Springfield F. & M.; spoons, Frank J. McDonald, McDonald & Harding Adjustment Co.; flowers, G. Douglas Cassar; Middle Department Assn. of Underwriters, and audit, Thomas F. Dougherty, Fidelity-Phenix.

Camden Opens Office at Newark, Watson Manager

Camden Fire has opened a new office in the Military Park building, Newark. M. Ellwood Watson has been appointed manager and J. Larry Inkster is special agent.

Mr. Watson has been state agent for Camden for 20 years. Mr. Inkster received his training in the home office and at the time of his transfer to Newark was servicing agents in the South Jersey field.

Pue in Oklahoma Field

Springfield Fire & Marine has appointed Harold Pue special agent for northeastern Oklahoma, associated with State Agent George M. Woods at Tulsa. Mr. Pue has been an underwriter in the Chicago office of Springfield.

Buffalo Field Club Elects

Buffalo Field Club has elected these new officers: President, B. L. Jones, Frey & Jones, adjusters; vice-president, F. J. Phister, Home; secretary, John E. Dickinson, attorney; treasurer, E. W. Snell, Pearl-American.

Dithmer Minn. Speaker

MINNEAPOLIS—Walter G. Dithmer, assistant manager of Western Underwriters Assn. will address Minnesota Fire Underwriters Assn. here Feb. 13. A dinner will follow the meeting and then a public relations meeting will be held, open to members of Northwest Bureau Field Club, adjusters and others.

New officers of the women's auxiliary of Alamo Blue Goose are: Mrs. Fred Crawford, president; Mrs. Elmore Erben and Mrs. E. B. Moore, vice-presidents; Mrs. W. C. Lawrence and Mrs. Charles Smith, secretaries, and Mrs. Raymond Williams, treasurer.

Blue Goose Grand Nest Officials Meet in Indiana

More than 80 members of the Indiana Blue Goose were on hand for a meeting Feb. 6 with Grand Nest officers. Attending from the Grand Nest were J. Ray Hull, most loyal grand gander, Indianapolis; Paul Fell, grand supervisor, Philadelphia; Charles Beall, grand custodian, Dallas, and R. A. Kenzel, grand welder, Milwaukee. They gave short speeches lauding the progress of the Indiana pond, and discussed plans for the Grand Nest convention at French Lick in August.

Hold Commissioner's Night

Connecticut Field Club held a commissioner's night at its meeting Feb. 6 at Hartford. Commissioner Allyn and members of his staff were guests.

Farmington, Mo., Inspected

At the inspection of Farmington by Missouri Fire Prevention Assn., Harry Alm, Springfield F. & M., and William Klosterman, Loyalty group, spoke in the

schools. Mr. Klosterman also gave the principal luncheon address. Steve Lester, Royal, was chairman. Douglas Brooks, Home, secretary of the association, was toastmaster and also spoke at the luncheon.

Altus, Okla., Inspected

Oklahoma Fire Prevention Assn. inspected Altus Jan. 26. Walter Daniels, Norwich Union, was luncheon speaker. John N. Jones, Phoenix of England, and the local fire chief took part in a radio broadcast on the aim and functions of the association.

Dithmer Speaks in Tenn.

Tennessee Fire Underwriters Assn. at the February meeting at Nashville last week heard a talk on the public relations program of Western Underwriters Assn. given by Walter G. Dithmer, assistant manager of W.U.A.

A guest at the meeting was John Chickering, agency supervisor at Chicago for Sun.

Marr to American Aviation

American Aviation & General has appointed George J. Marr as special agent for fire and allied lines and in-

land marine for its New England department. He will be associated with Chris J. Henry of Boston, resident manager.

Mr. Marr has been in the business more than 25 years as an underwriter and field man in New England, recently with General of Seattle.

'Scandals' S. F. Pond Feature

Principal entertainment feature at the annual meeting and banquet of San Francisco Blue Goose will be the "Scandals of Sansome Street of 1950," which has become an annual part of the big splash.

This year's performance is a musical containing seven scenes and a number of songs written by members. It has a cast of 30 and, according to report, various insurance bureaus will be targets for gibes, etc. Earle Wright, independent adjuster, is the general producer.

List Iowa Pond Speakers

Principal speaker at the Feb. 27 meeting of Iowa Blue Goose, at Des Moines, will be Frank Miles, former editor of "Iowa Legionnaire."

Atty. Gen. Larson, who has been leading a vigorous anti-gambling drive in the state, will speak March 6.

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Gallagher Wants Prompt Solution

(CONTINUED FROM PAGE 2)

sized. Carried to logical conclusion it would prohibit the cigar dealer from selling two 15 cent cigars for a quarter unless he had the statistics to justify it. Another thing is unwillingness of companies on either side of the dispute to give and take in traditional American fashion. There is also fear of some supervisory officials that state regulation may be weakened by an interstate approach to an interstate problem. Actually failure to so approach it will be much more hurtful.

Some Companies Don't Understand

There is also failure to understand the problem by companies large in numbers but which have not had much of this business on their books before or that have been actively in contact with agents or brokers who place this kind of business. Some companies are unwilling to permit any experience rating factors to influence individual rates for fear the idea will spread and the entire business degenerate into a pure cost plus operation. There also seems to be a strong disinclination to set any precedents, suggesting a fear of new ideas.

Mr. Gallagher suggested as the framework of a solution the following:

There should be a central source for multiple location risk rates to insure uniformity and absence of unfair discrimination, open to all companies as members or subscribers. This should be a countrywide rating bureau subject to supervision by each state with a rating law. There is ample precedent for interstate rating bureaus and not only in the casualty field. He mentioned National Automobile Underwriters Assn., Inland Marine Insurance Bureau, New England Fire Insurance Rating Bureau, Middle Department Assn. of Fire Underwriters, Pacific Fire Rating Bureau, and Mountain States Inspection Bureau, all making rates for three or more states.

Use Old Rates for Time Being

In the absence of statistics, present or temporary rate levels on the business should approximate those which have been in effect for the past decade and be tied in with the specific tariff rates of individual risks.

Companies through the bureau should be required to accumulate statistics as quickly as possible to justify rate levels. Regulation 30 will produce most of the needed expense figures. Since the business is one year term, conclusions can be arrived at fairly soon.

The importance of the problem far outweighs its premium income. Fact finding and compromise can overcome the obstacles to a solution. Either those concerned should be prepared to give and take, or else. "Else" means encouragement of federal regulation or at best a loss of prestige inuring to the benefit of competitors to a far greater degree than the companies can afford. He suggested exploration of state compacts as a base for regional action to offset the growth of federal power.

Business Is Well Operated

Writing single location risks has developed a certain smoothness if not perfection through the years, he said. The New Jersey Rating Organization cleared 1,225,000 dailies through its records in its last fiscal year and 327,829 endorsements. Of these it criticized 7.3% of dailies and 5.2% of endorsements. He believes this a fairly efficient operation of contract forms with attendant rates. But when the companies start to write more than a single location in one policy or combine a large number in one contract, there is much confusion, opposition, and fuzzy thinking. He recalled that before I.U.B. companies were not too particular about observing the rating laws and the laws against unfair discrimination which were important even then. They wrote multiple location busi-

ness at judgment rates. Few agents had forms, rules or rates and few represented companies that wrote such lines. The source of the business was principally large agencies and brokers. The business was written in non-admitted companies. Marine and inland marine forms were used and stretched far beyond the original concept of marine insurance.

I.U.B. Did a Good Job

Then came I.U.B. Its forms and rules were excellent, met the test of time and use and exist almost intact today in multiple location risk rules and forms and in the rule book. Many court decisions were handed down, most of them stating the forms are clear and mean what they say. Rules have been broadened but there has been little backtracking.

Interestingly enough, this machinery effected the transfer of large blocks of premiums to those companies which were farsighted enough to learn how it worked. Most of the business was lost by the irregulars, not by the members of the church. But somehow few could believe that big competitive business could gravitate to a few hardworking and forehanded companies without some skulduggery somewhere.

I.U.B. weathered the storm, however, and was doing a very good job when 20 years later along came the S.E.U.A. case, rate regulation and public law 15.

M.L.S.O. Serves Useful Purpose

I.U.B. had not modified published rates by schedule and there was little if any statistical justification for its conclusions. Modifications had been based on judgment and judgment in ratemaking had been relegated to the I.B.M. machine. I.U.B. failed to qualify as an

advisory organization and confusion reigned. Its place has been taken by the Multiple Location Risk Office which serves a very useful purpose. Again it is as if history were repeating itself. One company last December filed an inland marine policy to write the business and got New York approval of it. It combines casualty and inland marine to cover automobile manufacturers. Rates do not relate to fire, burglary or other tariff rates but are a flat charge with a provision for rerating each year. It is a pure experience rating plan. Deductibles up to \$5,000 may be agreed upon. The original I.U.B. proposal stated: "This condition had resulted in the extension of the flexible marine and inland marine policies far beyond the original concept of marine insurance." Just change the date to 1950, Mr. Gallagher suggested.

He pointed out that much multiple location business is evaporating from the normal market. It is said that three tremendous lines recently almost disappeared entirely from the stock company market, lines representing about \$2 million in premiums. He thinks an important job needs to be done and that the business had better be about doing it.

Suggestions by Adjusters

On rural dwelling losses, where walls are badly damaged, adjusters are encouraging insured to use plasterboard in replacing plastered walls. They point out that the seams can be covered so that they are practically invisible, that when a wall is chipped, only a panel needs to be replaced, they are easy to paint, and so on. The cost is about 50% less than plaster. Carpenters to install the wallboard are easier to get hold of and less expensive than plasterers.

Adjusters also find that some householders successfully use a mixture of vinegar and soda to remove smoke odor in a home where there has been a fire.

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MARINE INSURANCE NEWS

Lie Detector Use in Insured Losses

NEW YORK—Perhaps the main value of the lie detector for the insurance business consists of eliminating innocent people at the beginning of an investigation and thus avoid the great waste of time and energy consumed in following up false leads. Dr. Fabian Rourke of Lie Detector Consultants, New York City, told the Inland Marine Claims Assn. here.

Frequently in inland marine losses, the amount is in question or the loss itself seems questionable, and the detector has proved quite useful, he said. He cited the instance of a diamond artisan who filed a claim for \$120,000 as a result of the theft of diamonds. The amount of the loss could not be substantiated by

his records, and he was asked to take the lie detector test. He did so once, and then a second time, but when he was asked to return a third time he refused to do so and settled the claim for less than 15% of the amount originally asked. The theft definitely had occurred, but apparently the loss amount had been greatly exaggerated.

Must Depend on Integrity

Many inland marine losses are sizable yet for the amount and fact of loss itself the insurer must depend upon the personal integrity of the claimant. Where there is a question, Dr. Rourke thinks the detector can be used to advantage.

The detector also is being called on by insurers more and more in cases where arson is suspected, in mysterious disappearances of various kinds, and in fidelity losses. The experience of Dr. Rourke's organization is that there is very little employee resistance to use of the detector. Seldom does anyone asked to take the test refuse to do so. In one fidelity loss in a restaurant chain, the employer because of labor trouble was reluctant to suggest the detector's use but after four months did so. The only employee resentment came from innocent employees that believed the company should have applied it sooner.

WANT ADS

CHIEF ACCOUNTANT WANTED

Western department of old established stock fire insurance company has opening for high grade accountant. Must have administrative ability and thorough knowledge of accounting and office procedure. This is an unusual opportunity for young man who can qualify. Outline experience and all qualifications in reply. Address Y-55, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Junior Home Office Executive 31 years of age in excellent health presently employed as Assistant Office Manager desires change. 10 years experience in Personnel, Machine Accounting, Policy issue. Qualified and particularly well fitted to organize and manage above departments. Free to go anywhere. Best of credentials. Address Y-56, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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An insurance organization specializing in industrial properties has an opening for a top grade fire prevention engineer to service selected risks throughout the U.S. and Canada. Position requires supervisory ability and extensive traveling. Rating bureau experience desirable though not mandatory. Address Y-27, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Missouri will likewise take advantage of the plan, when its operations are explained to them. The plan, being for group coverages, does not apply to individual hospitalization policies.

Plan for Iowa Agents Rally

Sioux City Assn. of Insurance Agents has set up committees to handle the annual meeting of the Iowa association May 3-5. The convention will be preceded by a stag party put on by the local board with A. M. Davis as chairman.

General convention chairman is Byron Deck. In charge of the committees to handle the meeting are: Hotel, William F. Grandy; entertainment, Watt

Wooldridge; publicity, W. C. Wolle; attendance, B. J. Kloster; reception, Gilbert Guiney, and registration, R. P. Brown.

\$125,000 Fire at Springfield

SPRINGFIELD, ILL.—Damage estimated at \$125,000 resulted from a fire which destroyed the stock of furs and millinery in the John J. Jobe Co. here. Smoke and water caused extensive damage to three other adjacent buildings. The cause of the fire has not been determined. The S. A. Barker's women's wear store, Stern furniture store and Colonial restaurant received the major smoke and water damage. Western Adjustment is handling the loss.

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Knowles & Co. Promotions

Joseph C. Miller, former secretary of A. B. Knowles & Co., San Francisco marine general agency with branches in Los Angeles and Seattle, has been advanced to vice-president in charge of production of marine and fire business; Donald B. Porter, former assistant secretary, also becomes a vice-president, continuing as chief marine underwriter and assuming management of the San Francisco office. Mrs. G. E. Reville has claims.

Mr. Miller, before joining the Knowles organization nine years ago, had been with the Mathews & Livingston marine agency and Phoenix Assurance. Mr. Porter was previously with Fireman's Fund at the head office.

Yacht Safety on Program

At the annual Safety Convention & Exposition in New York City an evening will be devoted to small boats for the first time because of the growing pleasure boat population. Anthony Ferreira, Aetna Casualty engineer, Hartford, will discuss the need of stressing safety in the small boat field, and E. S. Terwilliger, manager of the Yacht Safety Bureau, New York, will view what boat builders and manufacturers of boating equipment are doing to further safety.

St. Louis Hospital

Admission Plan Is Set Up

ST. LOUIS—Representatives of various local insurers interested in group hospitalization insurance attended a meeting in the auditorium of General American Life at which plans for handling such insurance on their policyholders entering the various hospitals affiliated with Hospital Council of St. Louis were explained. The St. Louis plan is modeled after the Milwaukee plan and does not require the furnishing of prior records on group risks to the hospital council. James R. Williams of H. & A. Underwriters Conference, explained the overall plan. It is anticipated that some 16 to 18 insurers will come under the arrangement. It was indicated by spokesmen for the Hospital Council that all except about six of the hospitals of St. Louis and St. Louis County have signified their willingness to enter into the plan, which has the approval of American Hospital Assn. It is probable that many of the out-state hospitals of

EDITORIAL COMMENT

Elimination of Underwriting Selection

The New York legislative committee hearing dealt with two matters, increasing the required B. I. and P. D. limits for taxicabs and, in essence, providing all automobile drivers with insurance. Curiously, the two subjects represent two phases in the development of political attitude toward the automobile and the protection of the public and the driver.

As automobile use increased, legislators, many of whom are attorneys, and others saw the need of indemnifying members of the public who were injured or whose property was damaged. Economic loss had to be replaced. Yet the demand for compulsory auto insurance won out in only one state, Massachusetts. An alternative method which accorded more with political tastes of the public because it kept away to some extent from the totalitarian concept of compulsory coverage—was the financial responsibility law. Insurer and insured retained a nominal amount of choice. Auto owners and drivers do not absolutely have to insure in order to drive, though the penalties for not doing so are so severe that wisdom dictates they had much better do so.

The individual driver or owner no longer has much of a choice.

The insurer, which regards selection as both a political-economic right and a technical necessity of the utmost importance to its function and continued existence as a business, no longer has much choice, either.

Legislators at the Condon committee hearing indicated a basic conviction that everyone is entitled to insurance. Here is the area of difference between legislator and insurance man, and in it we suspect the insurance man will wage a losing battle.

If financial responsibility laws nudge only 95% of drivers into buying insurance protection for the public, the 5% are going to provide enough complaints on unfulfilled judgments to keep legislators insisting on 100% compulsory. If 5%, or any other proportion, no matter how small in relation to the large whole of the driving population, cannot buy insurance that it is wisdom to get, legislators are going to keep insisting on 100% insurance, a concomitant of compulsory.

The assigned risk plan has proved a remarkably good device to provide insurance for those that cannot buy it in the "open market". Theoretically, it covers the 5% who cannot buy in that

market, because of traffic violations (set up by the state), or excessively poor experience (the driver's physical inability or lack of judgment to drive), or at present the young driver (an underwriting restriction based on experience). It satisfies those in and outside the insurance business who understand the necessity of underwriting selection by the individual insurer.

But there are signs it doesn't satisfy legislators, to whom the person who must go to the bother of being assigned and then pay an extra premium, is a voter. His character as a voter is in no way impaired by an inability to drive safely, a habit of drinking while driving, or what not. The legislator who keeps proposing compulsory auto coverage, wants the cost of insurance, including the extra burden of the careless driver, spread evenly over the entire driving population. No one driver then will have any complaints except the good ones, whom the legislator now does not consider but will afterward.

This would practically eliminate insurer's "choice"—underwriting selection. It would leave the very real need for something similar to the assigned risk plan to spread the bad risks. It is the smaller auto insurer, or the company specializing in that field—both of which feel they need a rate differential to get the volume required for successful operation—which has depended especially on selection to offset the rate differential. With no selection; without, say, something like assigned risk to enable it to keep away from too great a proportion of bad risks, such a company might easily find itself in financial difficulties. State commissioners are well aware of this and would have much to say about the machinery of a compulsory law. They are keenly alert to anything affecting solvency.

It is hard to see how insurance can keep up with mass driving without eliminating the individual approach, selective underwriting. Legislators are going to hammer away to get 100% covered and 100% able to buy coverage, as they did in workmen's compensation.

Then, it becomes apparent, the insurance business will have no choice but to write all. The assigned risk would become a means of spreading the bad risks fairly over insurance assets; make uniform the burden.

There would then have to be a means of maintaining an experience with which the individual companies could live, other

than selection. This would be, it is pretty obvious, assumption of responsibility for attempting to control the total accident record by public education, accident prevention among the whole driving population. A partial job already is being done by the Assn. of Casualty & Surety Cos. and other insurance groups. Under compulsory, total insurance, this would not be enough. To a certain extent this is what happened with workmen's compensation, but here the units are big enough to permit an individual business-industry solution. The automobile population is not so easily reached; it is composed of individuals, unconcentrated as in w. c. except for some fleets. The casualty company association has recognized this by tackling a social grouping of drivers in high school auto driver education. What these companies have done is fine. But it is not enough to a totally insured population. There would have to be more; the cost should be shared by a greater proportion of the insurance business, if not by all of it.

There are other phases to the problem. If some auto insurance is being

canceled for lack of premium payment, the business may need to offer more liberal terms than the present casualty installments on auto casualty premiums, perhaps monthly or weekly payments.

The insurance people can't get legislators to require the state to assume responsibility for keeping the accident prone driver off the road. Even if he is criminally negligent and goes to jail, he can get a license when he gets out. Yet legislators expect insurance companies to assume the cost of keeping the poor driver on the road; time has shown they can saddle the business with this obligation.

What the insurance business can do is be ready to shape a course that will answer the mass need of a mass function, as imposed by the legislative branch. Yet this must be a course that will not at the same time put them out of a business they know extremely well how to handle or one that will set up such a tangle of detail that auto insurance cannot be, as it now largely is, supplied in standard form countrywide, in high quality, to all but the very poorest risks.

PERSONAL SIDE OF THE BUSINESS

Howard F. Ahmanson, president of American National Fire and head of Ahmanson & Co., Los Angeles general agents, is the father of a 7-pound son.

Harry A. Yates, just after being elected president of National Union Fire, started off on a month's vacation on a ranch near Tucson, Ariz. This has been Mr. Yates' custom for the past several years. He will be with John Towers of the Philadelphia firm of Towers, Perrin, Forster & Crosby, Inc., and Mrs. Towers.

Shepard Broad, who is chairman of the board of Carolina Casualty of Burlington, N. C., has become quite a factor in the insurance business. He became interested in Carolina Casualty through representing in a legal way, Chris Baylor, who is president of that company. Mr. Broad acquired voting control of Carolina Casualty and has taken over its active management. His roots and family are still at Miami Beach, and he commutes between there and Burlington by air. Eventually, he may decide to move to Burlington.

Mr. Broad is a member of the law firm of Broad & Cassell of Miami Beach. Prior to that he practiced individually for 10 years in that area, and still earlier, practiced law in New York. He is president of Temple Beth Shalom, one of the leading congregations of Miami Beach. Some years ago he organized North Shore Bank of Miami Beach and he is now director and general counsel of that institution.

Policyholders surplus of Carolina Casualty has been increased to about \$540,000 and dividends have just been declared amounting to 70 cents on the pre-

ferred and 5 cents on the common stock. The company now operates in North Carolina, South Carolina, Virginia, Georgia, Florida, Tennessee, Kentucky and Arkansas.

Insurance Director Hershey of Illinois explained the activities of his department in a 15-minute talk which was carried over 30 stations in the state.

F. W. Koeckert, who recently retired as U. S. manager for Commercial Union, has been elected honorary member of the executive committee of National Board. He served as president of the Board from 1935 to 1937.

John Dyer, secretary of Prudential and Hudson and 30 years with the Royal-Liverpool group, was honored at a luncheon in New York City on his anniversary by executives and associates.

John C. Droge, assistant secretary in the financial and secretaries department, was tendered a luncheon by officers of North British & Mercantile on his 25th anniversary with the organization. His office was bedecked with flowers and he was inducted as a "Norbrit Guard," and was presented with an inscribed wristwatch and also with a portable radio by his departmental associates.

The new San Francisco law firm with which **Maynard Garrison**, former vice-president of Fireman's Fund and former California commissioner, has become associated is Wallace, Garrison, Norton & Ray. The other members of the firm were former members of the firm of Williamson & Wallace, they being William R. Wallace, Jr., Richard P. Norton, William R. Ray, John R. Pascoe, and Joseph Martin, Jr.

THE NATIONAL UNDERWRITER

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Blanket Clubs Have Meeting

Tacoma and Seattle Blanket Clubs held a joint dinner meeting at Bow Lake airport. George W. Clarke, Seattle insurance attorney, spoke on fire and E.C. loss adjustments. Several motion picture films also were shown.

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DEATHS

HARRY A. WOODWARD, 76, retired manager of the A. & H. department of Old Line Life, died at his home in Milwaukee after a lingering illness with a heart ailment. He joined Old Line Life in 1915 as a salesman, ad-

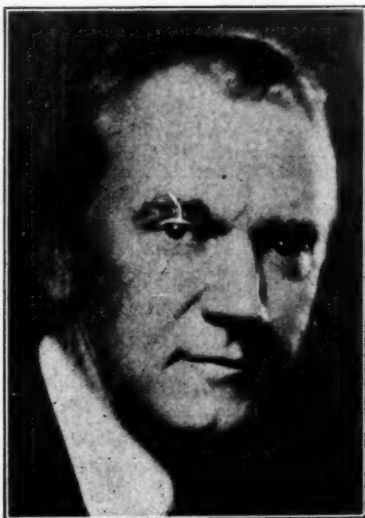


HARRY A. WOODWARD

vanced to field superintendent, claim adjuster and in 1925 manager of the A. & H. department, retiring in 1942 because of poor health. Under his management the premium income of the department doubled. He was active in the H. & A. Underwriters Conference as an officer and committee chairman.

EDGAR H. BOLES, 70, chairman of General Reinsurance, president of it and its fire affiliate, North Star Reinsurance, 1942-46, died at his home in Summit, N. J., after a long illness.

A graduate in law from University of



EDGAR H. BOLES

Pennsylvania, Mr. Boles was with New York Central Railroad and then the Lehigh Valley Railroad. He became vice-president and general manager of the latter and was instrumental in fixing responsibility for the "Black Tom" explosion of 1916 in Jersey City on a German spy ring. He was a governor of the Insurance Institute of America.

WILLIAM H. RUGE, 77, veteran Minnesota field man and a member of the Foster-Ruge agency at Faribault, Minn., died there. During his career,

Mr. Ruge was a special agent for St. Paul German, the Rockford, Springfield, and Northwestern National.

ARTHUR M. ZELL, manager at Erie, Pa., of General Adjustment for more than 25 years, died there. He was a native of Waynesville, O., and a graduate of Denison University.

L. F. DUNAGAN, SR., 62 years, manager of the Summers & Co. agency at Dyersburg, Tenn., for the past 25 years, died following a heart attack.

HERBERT A. DYE, 63, local agent at Niagara Falls, N. Y., died in a hospital there.

SAMUEL D. CAPEN, JR., 47, a member of the George D. Capen & Co. agency, St. Louis, which was founded by his grandfather in 1863, died there. He joined the agency in 1924, after attending Yale. He was a member of the executive board and secretary of Underwriters Salvage Corps of St. Louis and was to have served as committee chairman for the Midwest Territorial Conference of the N.A.I.A. at St. Louis March 27-30.

MRS. DELLA ROW, wife of Charles Row, former Lansing agent and son of Samuel Row, Michigan's first insurance commissioner, died at Lansing after a three months' illness. Her husband formerly operated the old Row-Ackerman agency at Lansing, which was purchased in the early 20s by Clyde B. Smith, former N.A.I.A. president.

Convention Dates

Feb. 13-15, H. & A. Underwriters Conference, midyear, Drake Hotel, Chicago.

Feb. 14-15, Zone 5 of N.A.I.C., Fontenelle Hotel, Omaha.

Feb. 22-24, Michigan agents, midyear, Book-Cadillac Hotel, Detroit.

Feb. 22-24, International Assn. of Insurance Counsel, mid-winter meeting, Palm Beach Biltmore, Palm Beach, Fla.

March 6, Pittsburgh Insurance Day, William Penn Hotel.

March 12-14, National Assn. of Insurance Agents Eastern Territorial Conference, Copley Plaza Hotel, Boston.

March 16-17, Minnesota Agents, midyear, St. Paul Hotel, St. Paul.

March 16-18, National Assn. of Insurance Agents, Southern Territorial Conference, Buena Vista Hotel, Biloxi, Miss.

March 20-21, National Assn. of Surety Bond Producers, Waldorf-Astoria, New York.

March 24-25, National Assn. of Insurance Agents, Rocky Mountain Territorial Conference, Broadmoor Hotel, Colorado Springs.

March 24-26, National Assn. of Casualty & Surety Agents, regional meeting, Atlanta Biltmore hotel, Atlanta.

March 27-30, Midwest territorial conference of N.A.I.A. and meeting of N.A.I.A. National State Directors, Statler Hotel, St. Louis.

April 3-4, N.A.I.C. uniform accounting subcommittee, Hotel Commodore, New York.

April 17, Rhode Island agents, midyear, Sheraton-Biltmore Hotel, Providence.

April 17-18, National Assn. of Insurance Agents, Far West Agents Conference, St. Francis Hotel, San Francisco.

April 20-21, National Assn. of Independent Insurers, regional, Plaza Hotel, San Antonio.

April 21, New Jersey agents, midyear, Hildebrecht Hotel, Trenton.

April 25-26, Western Underwriters Assn., White Sulphur Springs, W. Va.

April 27-29, Louisiana agents, annual, Alexandria.

May 4-6, North Carolina agents, annual, Carolina Hotel, Pinehurst.

May 8-9, New York agents, annual, Hotel Syracuse, Syracuse.

May 11-13, Insurance Accounting & Statistical Assn., annual, Hotel Statler, Boston.

May 11-13, Texas agents, annual, Fort Worth.

May 18-20, Arkansas agents, annual, Arlington Hotel, Hot Springs.

June 22-24, National Assn. of Independent Adjusters, annual, French Lick, Ind.

Aug. 8-10, Grand Nest of Blue Goose, French Lick Springs, Ind.

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OFFICES IN PRINCIPAL CITIES
COAST TO COAST

1949 RESULTS OF MUTUAL COMPANIES

	Adm. Assets	Unearned Prem.	Net Surplus	Net Prem.	Net Losses Paid
Danah Mutual, Charleston...	995,893	442,874	509,398	470,938	89,336
Donagel & Conoy, Pa.	872,202	486,543	338,314	488,311	119,562
Grangers, Md.	951,423	452,550	424,528	606,268	156,971
Hardware, N. C.	860,334	219,520	616,386	288,504	55,106
Millers, Pa.	3,322,062	1,191,949	1,633,845	1,371,665	405,794
Oregon, McMinnville	5,047,688	3,124,564	1,516,409	2,618,940	739,692
Union, Vt.	1,037,863	284,498	446,725	641,916	232,590
West Bend, Wis.	1,103,890	430,874	590,570	380,752	134,490

Employers Reinsurance Corporation

J. B. ROBERTSON—PRESIDENT

CONDENSED STATEMENT AS OF DECEMBER 31, 1949

ASSETS

Cash in Banks and on Hand.....	\$ 4,505,450.63
Bonds, Amortized Value	
United States Government.....	\$20,091,359.14
United States Government Agencies.....	2,571,334.43
Canadian Government.....	989,985.96
State, County and Municipal.....	8,477,275.63
Total Bonds.....	\$32,129,955.16
Stocks, Convention Value.....	6,843,581.20
Total Bonds and Stocks.....	38,973,536.36
Mortgage Loans.....	203,704.88
Premiums in Course of Collection (Under 90 Days).....	490,213.65
Interest Accrued.....	229,168.97
Total Admitted Assets.....	\$44,402,074.49

LIABILITIES

Loss Reserve, Liability and Compensation.....	\$16,192,640.16
Loss Reserve, Other Classes.....	2,894,955.99
Total Loss Reserve.....	\$19,087,596.15
Reserve for Unearned Premiums.....	10,428,349.69
Commissions Accrued on Premiums.....	397,572.02
Reserve for Contingent Commissions.....	514,998.90
Reserve for Taxes and Other Liabilities.....	322,131.42
Funds Held Under Reinsurance Treaties.....	1,593,666.68
Voluntary Special Reserve.....	\$ 2,057,759.63
Capital.....	2,000,000.00
Surplus.....	8,000,000.00
Surplus to Policyholders.....	12,057,759.63
Total.....	\$44,402,074.49

On the basis of December 31, 1949, market quotations for all bonds and stocks owned:

Total Admitted Assets would be increased to.....\$44,747,088.73

Voluntary Special Reserve would be increased to.....2,402,773.87

Securities carried at \$2,245,798.75 in the above statement are deposited as required by law.

KANSAS CITY

Insurance Exchange Bldg.

NEW YORK

107 William Street

CHICAGO

175 West Jackson

SAN FRANCISCO

114 Sansome Street

LOS ANGELES

1141 W. 6th Street

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Stock Insurers Seek Exemption from Frear Bill

Fight for Amendment Freeing Them from SEC Registration

Stock insurance companies of all types are opposed to the Frear bill and are combining to support an amendment to exempt insurance companies from security registration under SEC. Ray Murphy, general counsel of Assn. of Casualty & Surety Companies, and Eugene M. Thoré, general counsel of Life Insurance Assn. and also representing American Life Convention, are appearing before the senate banking committee this week. Although J. Raymond Berry, general counsel of the National Board, is not slated to appear, it is understood that he will attend and that the companies he represents are in accord with the views of other insurers on the amendment.

The Frear bill would require the issuer of securities other than on na-

In testimony, Louis Loss, SEC associate general counsel, said that SEC would consider accepting the state convention blanks of the insurance companies in lieu of separate financial reports. He insisted that the insurance companies should be bound by the insider trading and proxy provisions. However, he urged Congress to exempt the stock insurers rather than to let the bill fall on this point.

Earlier SEC agreed to the proposals of National Assn. of Securities Dealers for a substantial lessening of unlisted trading on organized exchanges.

tional securities exchanges to submit the same information to the SEC that investors whose firms are registered on organized exchanges have had to submit. The bill, introduced by Senator Frear, Democrat, Delaware, amends section 12 of the SEC act of 1934 by extending its scope to any corporation which has more than \$3 million in assets and whose securities are held directly or indirectly by more than 300 persons.

The insurance companies are seeking an exemption similar to an exclusion which has been written into the bill in connection with banks. To many this pending legislation appears to be another step in the federal government's moves to gain control of the insurance business piecemeal. Stock company men have pointed out that under the Frear bill they would be required to furnish much information that is the duplicate of that now being furnished to the state insurance departments. This would give SEC possession of factual data which has heretofore not been furnished to any agency of the federal government.

Require Additional Statements

Furthermore, SEC would be empowered to require "further financial statements which the commission might deem necessary or appropriate for the protection of investors."

The stock insurance people feel that since they are adequately supervised by the states and information regarding their activities is readily available to the public through the state insurance department, no useful purpose would be served by filing this information with

(CONTINUED ON PAGE 27)

Vital Topics Before Group Meeting of H. & A. Conference

Cash sickness laws, collective bargaining and trade association groups will be among the topics discussed at the group meeting of H. & A. Underwriters Conference at Drake hotel, Chicago, Feb. 14-15.

At the first session, P. W. Watt, Washington National, chairman group committee, will review conference group activities and Donald Albright, Provident Life & Accident, will take up special problems of hospitalization: Are the higher benefits being demanded by the public sound? Fringe benefits—desirable? Service type plans—workable? Miscellaneous fees—what limits?

George H. Hipp, Employers Mutual Liability, will head the panel on cash sickness laws. E. J. Anderson, Founders Fire & Marine, will take up the experience in California and discuss the question: "How can we live under the UCD law?" The New Jersey situation will be reviewed by J. W. Noel, Lumbermen's Mutual Casualty, New York, and that in New York by T. H. Kirkpatrick, Paul Revere Life, while W. L. Miller, Northern Life, will take up the prospects for the Washington law, which is to be up for a vote next November, and the possibilities for private carriers.

E. H. O'Connor, Insurance Economics Society, will review the status of cash sickness programs in other states.

Korn on Collective Bargaining

P. G. Korn, National Casualty, will discuss collective bargaining in the group picture and the desirability of trade association business will be reviewed by a panel including C. R. Ashman, Lincoln National Life; K. M. Briegal, Lumbermen's Mutual Casualty, and W. A. Hollister, Hardware Mutual Casualty. F. M. Walters, General Accident, will talk on student coverage, both for all student activities and for sports only; Emerson Mitchell, Provident Life & Accident, on state medical plans and Bill Howland, Mutual Implement & Hardware, on hospital admission plans.

Experience with and problems in cases of less than 25 lives will be taken up from the group standpoint by A. M. Anderson, Hardware Mutual Casualty; Fred Clark, Lincoln National Life; M. E. Froh, Lumbermen's Mutual Casualty, and R. C. Knoblock, Washington National, and from a franchise standpoint by R. L. Paddock, Time; H. C. Pogue, Business Men's Assurance, and E. D. Speer, Great American Reserve.

Regional Meeting Feb. 13

A regional meeting of the conference will be held Feb. 13 at the Drake for the five-state area surrounding Chicago. There will be discussions on polio coverage, blanket medical policies, recent legislation and insurance department rulings, social security proposals and public relations. In addition there will be an open forum during which informal discussions will center around over-age risks, cash sickness laws, proposed standard provisions changes and other pertinent accident and health subjects.

Paul Stade, Lumbermen's Mutual Casualty, will be chairman of the morning session and E. A. McCord, Illinois Mutual Casualty, will preside in the afternoon.

P. M. Shifts Claim Men

Richard Stenz has been assigned as claims manager at the Newark zone claims office by Pacific Mutual Life, being transferred from Los Angeles.

William Fortmueller, in charge of claims in the western division of the railroad department, succeeds Mr. Stenz, who is replaced by Mack Hanson.

To Pigeonhole Hunt Bill in Senate Committee

WASHINGTON—The bill of Senator Hunt of Wyoming for a voluntary health insurance program will be pigeonholed in the Senate committee on labor and welfare, along with several other health program proposals, including the administration's national compulsory health scheme, according to Senator Murray of Montana, chairman of a subcommittee on health legislation. They will die with this Congress, but attempt will be made to revive such legislation next year.

The Senate finance committee heard W. R. Williamson of the Wyatt Co., former social security board actuary, denounce the social security program as a "flop," and "Santa Claus thinking." Proposing a \$30 per month old-age pension for everybody and return to the states of responsibility for caring for the needy, Mr. Williamson urged a study of social security problems by an impartial group.

Dr. Marjorie Shearon, formerly of the social security board, opposed the social security bill, while Marion B. Folsom, Eastman Kodak Co., former member of social security advisory councils, spoke in support of it.

Steel Groups Go to Provident L. & A.

Provident Life & Accident has covered the group portion of the CIO steelworkers pact for 3,500 employees of Detroit Steel at Portsmouth, O., and 15,000 workers of Wheeling Steel.

Both plans provide life insurance, accidental death and dismemberment, weekly A. & H., hospital-surgical and "in-hospital" medical care.

Ask Delay in I.C.C.

Action on Higher Limits

WASHINGTON—American Trucking Associations' insurance and executive committees voted at meetings here to ask Interstate Commerce Commission to postpone the hearing set for Feb. 23 on the proposal to increase the requirements as to the amounts of public liability and property damage motor carriers shall carry.

The trucking industry wants to obtain more data on the effect of the proposed increases. If I.C.C. does not grant the postponement, the A.T.A.I. staff was instructed by the committees to oppose the increase.

The executive committee referred to the A.T.A.I. general counsel, the request from the I.C.C. bureau of motor carriers for information on the suggestion that present rules governing filing of motor carriers surety bonds be amended by eliminating endorsements now required, including signatures of carriers.

London May Set Up

Bond Unit at Chicago

A. G. Stanten, superintendent of the fidelity and surety department of London Guarantee and Phoenix Indemnity, is in Chicago this week surveying the situation against the probability that his companies will establish a bond department in their Chicago branch. He is investigating possible personnel for this office. Mr. Stanten is a former Chicagoan and has many friends and connections there. He timed his visit so as to be able to attend the dinner Thursday evening for B. J. Nietschmann on his retirement as Chicago manager of National Surety.

Prison Terms for Two Defendants in Arcadia Nat'l Case

Sylvanus Gets 3 Years, Johnson 18 Months; Company Fined \$10,000

Alfred Sylvanus, president of Arcadia National of Chicago was sentenced to three years in federal prison by Federal Judge Barnes in Chicago following a jury verdict of guilty on 12 counts of mail fraud and one of conspiracy. Voyle C. Johnson, head of the company's principal sales agency, received an 18-month sentence. He was found guilty on the same counts. He is a former Illinois assistant state's attorney and headed the U. S. Insurance agency in Chicago.

Arcadia itself was fined \$10,000.

Judge Barnes denied a motion for new trial. He also denied a motion for bail pending appeal efforts. Both men were placed in the U. S. marshal's lockup.

The defendants were convicted of using advertising that misrepresented the coverage in their A. & H. policies and of using technical defenses to defeat or whittle down claims.

Judge Denounces Defendants

Denouncing these activities, Judge Barnes said in sentencing the defendants.

"The verdict was a just verdict. The people mulcted by these defendants were of a class unable to take care of themselves. They were poor, simple people who were likely to think that something that is printed is true.

"Mr. Johnson joined the conspiracy knowingly. I think his moral responsibility is the greatest. The reason for the difference in the sentences is Mr. Johnson's physical condition."

Johnson Can Hardly Walk

Mr. Johnson's physical condition is such that he can scarcely walk, even with the aid of two canes.

Edward J. Ryan and Warren P. Hill, assistant U. S. attorneys, prosecuted the case. Victor LaRue defended Mr. Sylvanus and the company. Mr. Johnson acted as his own lawyer.

Observers at the trial included attorneys representing other mail order insurers whose cases are pending.

Employers "Ad" on Brinks Loss Gets Favorable Notice

Employers Liability has received favorable newspaper comment as a result of a full page advertisement it ran in a Boston newspaper following the \$1 million Brinks Express Co. robbery in Boston.

Employers notes that the public might think that the company has a selfish interest in the matter because it is in the insurance business, but fortunately the loss was insured by a "friendly competitor." The ad goes on to say that while the loss meant nothing to Employers financially, the company covers such crimes for premiums based on experience and the worse the experience, the more the people have to pay for insurance. The theme of the ad is that it is the people who pay for crime, not only through insurance, but in other ways.

New Long Haul Pool Set Up in N. M.

Universal Insurance Underwriters of Albuquerque, representing a quota share pool of Commercial Standard, National Indemnity and Continental Fire & Casualty, is now in operation writing long haul truck, bus, taxicab, butane and gasoline risks, and other similar lines for physical damage, bodily injury and property damage liability.

The organizer is Homer D. Bray, who has operated the Bray agency at Albuquerque since 1933 and the Pacific Service Co., a general agency at Albuquerque, since 1943.

The pool is operating through the Universal Underwriters in New Mexico and Colorado, and plans are afoot to open a service office at Denver and subsequently extend the writings to Wyoming, Utah, Nevada, Arizona, Montana and Kansas. When the firm sets up a service office in the territory, it will operate in Texas and Oklahoma also. The business is handled through agents only, and there are no exclusive agent appointments. Additional companies may be added to the pool on a quota share basis.

The covers are being written on a cash or budget plan and either on a specified car basis or a gross receipts basis for auto B.I., P.D. and physical damage in one policy or a comprehensive general liability policy including allied liability lines.

W. B. Clark, Jr., Now V.-P.

W. B. Clark, Jr. has been appointed vice-president in charge of the A. & H. department of Carolina Casualty of Burlington, N. C. He has been manager of that department since 1946. In his earlier days he was with Life & Casualty, and then with Home Security.

Ray Berry's Perspicacity

The convictions that were voted by a federal court jury at Chicago in the Arcadia National mail order A. & H. case came as a surprise to a great many observers. However, there is one man to whom it undoubtedly was not a surprise and whose short and pointed views on this mail order insurance problem deserve to be highlighted in view of that conviction at Chicago. We are referring to J. Raymond Berry, general counsel of National Board of Fire Underwriters.

As a member of the all-industry committee considering various proposals for legislation governing mail order insurance, studying the lengthy so-called Kline report of the New York insurance department, weighing the proposed federal trade commission mail order insurance code and other ramifications of what appeared to be a very complex subject, Mr. Berry insisted that the whole thing reduced itself to very simple

elements. Time and again he stated very simply that if these mail order insurance companies, about which there has been so much discussion, were doing the things that they were reported to be doing, then they were guilty of fraud and could and should be prosecuted and convicted. In Mr. Berry's book the whole problem was as simple as that and in the light of what has happened at Chicago, it can very well turn out to be simply as simple as that.

We couldn't refrain from publicizing Mr. Berry's consistent stand at this juncture. At times during the elaborate and involved legal discussions of this mail order question and sessions of the all-industry committee, Mr. Berry's simple moral conclusions may have seemed sharp and contemptuous of fine points. Actually it may very well be that there is very little more to be said on the matter than has been said by Mr. Berry.

Has New A. & H. Manual

West Coast Life has released a new and liberalized A. & H. manual featuring generally reduced rates for preferred occupational classifications along with additional benefits for the higher occupational classifications.

The manual is designed for agents' convenience. The pages are constructed so that all or sections of the manual may be inserted in the life rate book and there is a comprehensive explanation of all riders and benefits.

Premiums are quoted for benefits up to and including \$400 a month indemnity.

A new sickness benefit with a 28-day waiting period has been added to the present contracts which provide for three, seven, and 14-day waiting periods.

Benefits available for female policyholders have been liberalized to provide that losses caused by disability from injury or disease of organs not common to both sexes can be covered by rider to certain policy forms.

Blue Ridge of Shelby, N. C., Harford Mutual of Bel Air, Md., Reserve Life of Dallas, and Vermont Mutual Fire have joined Insurance Accounting & Statistical Assn.

Motor Vehicle Cas. to Go Suburban; Has Best Year

Motor Vehicle Casualty is moving effective March 1 from 309 West Jackson boulevard, Chicago, to temporary quarters in the McKinlock building, at 209 West Jackson boulevard. President Cyrus L. Garnett announces that the company hopes to put up an office building of its own at Glen Ellyn, western suburb, and that plans are now on the architect's drafting board. He states that a zoning question has been raised but the company hopes for a favorable decision and the aim is to get the building started by July 1.

Motor Vehicle has a splendidly situated tract at Glen Ellyn. It was selected because of its accessibility to transportation and also for beauty of location. It is on a knoll facing a park on Crescent boulevard. The plan is to put up a one-story and English basement building that will be air conditioned and contain every modern kind of installation.

The company was not able to negotiate a short term arrangement at 309 West Jackson boulevard and hence, will be "camping out" in the McKinlock building until its new home office is ready for occupancy.

Mr. Garnett said 1949 was the most satisfactory period in the history of Motor Vehicle. Assets increased from \$2,862,556 to \$3,349,761, surplus went up from \$321,981 to \$400,000 and the loss reserve increased from \$635,872 to \$780,504. A new reserve for contingencies was set up in the amount of \$157,937.

Cash and government bonds constitute \$2,797,311. The company disposed of all of its equity investments and has no stocks in its portfolio.



Announcing the opening of the
ALLSTATE INSURANCE COMPANY BUILDING
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the new Home Office location of the
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Overseas Insurers Found 1949 Best Year in History

Experience Improved; Premiums Mounted as Agents Caught On

Though figures on this business never are published, American insurers appear to have completed their biggest and best year in history on overseas risks. Premiums surpassed 1948 considerably, those in the field agree, continuing a rising pattern that has been repeated every year since the war. Experience on overseas, both on fire and casualty was improved over previous years.

Again an outstanding characteristic of the foreign insurance year was the great increase in the amount of premiums coming from inland sections of the United States. This is the end of the second full year of missionary work in interior states. Tireless speech making and bush beating by younger men who have been placed by the foreign insurers in the mid-west and the west has borne results. Premium income to these hinterland offices is up 50% and better this year. Producers have come to realize what two years ago they did not know, that they can and should write insurance on local people who are going overseas or local enterprises which have insurable interests across the waters. Some of the inland increase may reflect transfer to local agents of business which formerly would have been written in the east coast cities, but the seaboard cities did score increases also.

Causes for Premium Increase

Cogent causes for the increase in premiums have been the increases in overseas travel and the growth of American commercial establishments in other lands. American enterprises are more deeply entrenched in South America, in western Europe, Saudi Arabia, Iran and Iraq. There are indications that during the coming year the American insurers will enlarge their scope. One organization which does not cover risks in Israel is contemplating opening an office at Tel Aviv to service Israel and to serve as a general base for the Near East.

The bread-and-butter business which the local agents steer to the American insurers is coverage on automobiles and personal effects. As highways are rebuilt and improved in the war zones, more American tourists are taking their automobiles with them. There has been a great increase in the number of Americans who drive through Mexico. Some 40,000 American motorists are potential insurance targets every year.

No outstanding catastrophes to American-insured properties overseas occurred in 1949. It was a year devoid of major storms or floods. Political disturbances and civil wars caused fewer losses than in the past. Most of the insurers at the start of the year had already pulled out of China and the Indo-Chinese peninsula, which are the principal seats of insurrection. Though India has naturally been a market primarily for British insurance, since Indian independence was granted, the American insurers have been getting a larger slice of the market.

Dr. W. C. Hueper of National Cancer Institute of Bethesda, Md., is addressing a luncheon meeting Feb. 14 of St. Louis Self-Insurers' Conference on "Occupational Cancer Hazards in Industry."

Continental Cas. Publishes Claim Guide for Adjusters

A 74-page claim guide has been published and distributed to company claim representatives of Continental Casualty and its associates, Transportation and National Casualty.

The guide contains loss service procedures in burglary, fidelity, inland marine and automobile physical damage, with emphasis given to the importance of delivering fast and efficient assistance to policyholders.

Set up to provide claim facts from the first notice to final settlement, the booklet is divided into sections according to each insurance field, and in each class there are included concrete service helps. In addition, the guide sets forth many suggestions on extra counsel and assistance the adjuster can offer to the assured.

Treat Coal Mine Insured

W. S. Williams, special representative of Bituminous Casualty, was host to the company's coal mine insured for a

dinner at Grundy, Va. Clyde Dennis, local agent for Bituminous, was in charge of the meeting, at which movies were shown of a continuous coal loader, and the explosive qualities of coal dust. Safety in coal mine operations was given special emphasis.

Wisconsin Claim Men Confer

Claim men of Ohio Casualty in Wisconsin met at Milwaukee for a conference with Max Hobbs and Robert Weist, vice-presidents from the home office, and Stark Baker, branch manager.

"Unforeseen events . . . need not change and shape the course of man's affairs"



By emphasizing how agent and claims man work together for policyholders . . . this advertisement should help you, the Maryland agent or broker, increase your volume day by day.

Trained for trouble

DEAD OF NIGHT or blaze of noon . . . when you need this man, you usually need him at once.

He's the Maryland claims man. You'll find him throughout the United States. You'll find him in Canada, Alaska, Cuba, Puerto Rico, the Canal Zone, and Hawaii. A specialist trained to handle any and all claims which may be filed against you or by you as a Maryland policyholder.

It may be a disastrous automobile crash, leading to costly damage suits . . . a serious financial loss caused by an embezzling employee . . . a suit for damages because a golfer's wayward ball

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Maryland claims men work as a team with the Maryland agents who sell you your insurance or bonding protection.

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All forms of Casualty Insurance, Fidelity and Surety Bonds, for business, industry and the home, through 10,000 agents & brokers

Accident Death Rate in 1949 Is Lowest on Record

The 1949 accident death rate from all causes of 61.2 per 100,000 population is the lowest on record, 3.1 points below the best previous rate set in 1948, according to estimates of the National Safety Council. The council figures show that 91,000 persons were killed and 9,400,000 injured last year, at a resulting cost of \$7.2 billion.

All accident classifications showed decreases, the largest of 6% being in the occupational field. Motor vehicle accidents were down moderately, but in relation to the number of miles traveled, the picture here was considerably brightened. Occupational deaths were reduced by 1,000,400 of the decrease being

in the coal industry, but part of this loss might be attributed to strikes and the 3-day work week.

According to the council statistics, 31,500 persons were killed in automobile accidents; 30,500 died in home accidents; 15,000 were killed on the job, and 16,000 died from other accidental means. The estimated economic loss of \$7.2 billion covers both fatal and non-fatal accidents and includes wage losses, medical expense and overhead of insurance, production delays, damage to equipment and property damage from traffic accidents and fires.

Three catastrophes caused as many as 50 deaths each, the hospital fire at Effingham, Ill., the tornado in Arkansas in January, and the crash of an air transport plane at Washington, D. C. Three other accidents caused between 25 and 50 deaths—two airplane crashes and the winter blizzards in the mountain states.

Traffic deaths decreased 2% in 1949, while vehicle mileage was 6% higher. The death rate per 100 million vehicle miles was 7.4, a record low. There were 29 states with decreased accident rates, and Portland, Ore., Kansas City and San Francisco showed 40% or better decreases in deaths. Great Falls, Mont., Ann Arbor, Mich., and Stratford, Conn., all with populations above 10,000 went through the year with no traffic deaths. The lowest death rate in a large city was in Minneapolis, followed by San Francisco and Buffalo.

Occupational accidents were down 6% in 1949. There were 1,850,000 disabling industrial accidents and the council estimates the economic loss in this classification at 2.6 billion.

Negro Automobile Company Launched at Los Angeles

LOS ANGELES—Loyal Automobile of Los Angeles has been licensed in California. It is claimed to be the only company in the United States owned and operated by Negroes for the benefit of Negroes who are unable to secure automobile insurance. It has \$100,000 capital and \$100,000 surplus. Wendell E. Larson is president; Forrest A. McCoo, Jr., vice-president; John A. Hutcherson, secretary. These three with Arthur T. Patrick and Prince L. Kennedy comprise the directors. All are Negroes except President Larson.

Assist Is Given

Sitting with the directors as an advisory committee are Mr. Larson, Mr. Hutcherson and Harry Perk, Jr., former national committeeman of National Assn. of Insurance Agents. This advisory committee will make recommendations to the board on matters of policy and finance. In addition to the advisory board there is a stockholders trusteeship, the members of the voting trust being Messrs. Perk, Hutcherson and attorney Wyckoff Westover, formerly with the California department.

The company originally was chartered as Pioneer Automobile in 1945. In April of the next year the name was changed to Loyal. Several extensions were granted because of difficulty in securing necessary capital.

Hess Field Supervisor of Mass. Protective

Carl A. Hess of Columbus, O., has been named a field supervisor of Massachusetts Protective and Paul Revere Life.

Mr. Hess entered insurance as an agent for the National Life & Accident in 1933. He served as assistant manager at Akron and later district manager at Peoria, Ill. In 1943 he joined Acacia Mutual, becoming agent and then manager at Columbus. Two years later he was made agency supervisor of the eastern territory of American United. In mid-1948, he became executive supervisor for the Continental Assurance with headquarters at Columbus. He is a graduate of University of Akron and before entering insurance was with General Tire & Rubber Co.

200 at Hartford Opening

The remodeled and enlarged Hartford branch office of American Automobile was officially opened Feb. 6 with a luncheon and business meeting attended by more than 200.

Among the guests were Commissioner Ellery Allyn; W. H. Wiley, secretary of the Connecticut Assn. of Insurance Agents; members of the insurance department and of the Connecticut Workmen's Compensation Commission. Raymond S. Choate, resident vice-president, was in charge, and brief talks were given by Otto Patterson, executive vice-president of American Auto; Harvey R. Bowditch, vice-president and investment committee chairman; R. L. Inglis, vice-president, and Hubert W. Donovan, resident manager at Hartford.

Excess Insurer, Not the Insured, Must Bring Suit Against Primary Insurer

An insured in a state requiring actions to be brought in the name of the real party in interest, and who recovers under an automobile liability loss from a primary and an excess insurer, is not entitled to prosecute in its own name a suit against the primary insurer to recover the amount of the settlement over and above its policy limit. The suit in question charged negligence in the investigation and defense of the claim on the part of the primary insurer and bad faith in not accepting an original offer of settlement which was less than the primary coverage. This was the decision of U. S. 10th circuit court of appeals in the Oklahoma case of American Fidelity & Casualty vs. American Bus Lines.

American Bus Lines had primary B.L. coverage of \$10,000 with American F. & C. and \$90,000 excess of \$10,000 direct with Security Mutual Casualty.

On July 5, 1945, Lorena Lairson, a bus passenger, was injured. She sued for \$30,500; when the case was called for trial she offered to settle for \$5,000; there was a verdict and judgment for \$25,000 and the final settlement was \$17,500. The bus company paid \$7,500 and was reimbursed by Security. Security Mutual then demanded that the insured assert a claim against American Fidelity & Casualty. In the trial court judgment was rendered for \$7,500 in behalf of the bus company.

The higher court said that under statutes such as in Oklahoma requiring that actions be brought in the name of the real party in interest, it is generally held that an insured who had been paid in full by his insurer is not the real party in interest and is not entitled to bring an action against a third party tortfeasor. Instead the action must be brought by the insurer who by virtue of subrogation becomes the only real party in interest.

The higher court concluded that the tort action against the primary insurer which originally inhered in the bus company passed to the excess insurer by subrogation, hence the bus company was no longer the real party in interest and is not entitled to prosecute the suit.

Some Mich. Liquor Rates Cut

LANSING, MICH. — Commissioner Forbes has announced a 25% reduction in the rate on surety bonds required of by-the-glass licensee under the Michigan liquor control law. He said the annual premium reduction would amount to about \$86,000 to the licensees now operating under the act. The reduction came about as a result of a series of conferences between the licensees' representatives and surety company officials.

More than 200 Seattle insurance women and their bosses participated in the organization's annual employers' night party. Gladys Main, president of National Assn. of Insurance Women gave a short address.

CASUALTY FIELDMAN INDIANA

There is a fine opportunity in an old well established stock insurance organization (writing fire and casualty) for a man capable of producing casualty business in the State of Indiana. Some knowledge of the fire business would be a helpful asset but is not essential.

You would cover the State of Indiana out of Indianapolis.

In your application please state your training, experience, marital status, etc. and we will arrange for confidential interview. Address Y-54, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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U.S. Assistant Managers

Stresses Need for Deductible in Medical Coverage

Some sort of deductible or coinsurance plan to take care of heavy medical expenses, while letting the insured look out for the general run of doctors' bills is the most practicable solution that voluntary insurance plans can provide to the threat of compulsory medical care insurance, Ray D. Murphy, vice-president and chief actuary of Equitable Society, declared at the meeting of the National Conference on Medical Service at Chicago. This organization is an independent group of officers of state and county medical societies and others interested in medical economics.

Summarizing the life insurance business's views, Mr. Murphy said that while compulsory plans, based on taxation, need not concern themselves with actuarial soundness, voluntary plans must be on a sound basis. He said that a recent study had shown that some 60% of the people would have less than \$25 a year medical costs, exclusive of hospitalization and surgery, while \$50 a year would raise the percentage to 75 or 80. If the insurance companies, Blue Shield, and other voluntary plans were to try to handle such small claims the cost of administration would be so large a proportion of the amount paid that it would not be practicable.

Insurance to Cover Hardship

Mr. Murphy suggested that the first \$25 or \$50 should be taken care of by the insured with the insurer taking over the amounts in excess of that, which cause real hardship. He emphasized the need of a deductible or coinsurance provision not only to keep down administration costs but to prevent malingering or the type of situation that prevails in England, where hypochondriacs clutter up the doctors' offices every day just because medical service is free.

Other speakers included Dr. Ernest E. Irons, president of the American Medical Assn., and Dr. George F. Lull of Chicago, secretary and general manager of A.M.A. Both warned of the dangers of attempts being made to nationalize medicine.

R. R. Reno, Equitable Society, Chicago, was on hand as a member of the subcommittee on compulsory health insurance of the social security committee of the National Assn. of Life Underwriters.

Atomic Energy Workers Called Good Insurance Risks

Under the auspices of the atomic energy commission, 100 insurance engineers representing 39 casualty companies are attending a five-day session on insurance aspects of health physics this week at Brookhaven National Laboratory, Upton, N. Y.

The course is providing advanced and detailed information on health problems involved in distribution and use of radioisotopes. Cooperators with the A.E.C. division of biology and medicine and isotopes division include the joint casualty committee on radiation.

Workers in atomic energy installations and research laboratories make good insurance risks at standard rate, Dr. K. Z. Morgan, director of health in the physics division of Oak Ridge national laboratory of A.E.C., told the insurance representatives. They can be insured at the same rate as chemists, physicists and biologists who are not working in "hot" laboratories. Radiation from isotopes and similar substances differs little from x-rays used in industrial equipment. At the atomic plant at Hanford, Wash., not more than 3 1/2% of workers are exposed to radiation, with exposure monitored to assure the amount they receive is not harmful. Only two deaths were due to radiation at the Los

Alamos bomb assembling plant during the war. Total radiation received in 20 years of working in present hottest installations might shorten the life span of workers about three weeks.

Auditors Install Officers

LOS ANGELES—Southern California chapter of California Insurance Auditors Assn. has installed these new officers: President, Alvin P. White, Jr., National Automobile & Casualty; first vice-president, Robert J. Derr, Industrial Indemnity; second vice-president, Keith R. Maxwell, Employers Liability; secretary, James N. Dillard, California Compensation; treasurer, John A. Driscoll, Liberty Mutual.

Curtails N. Y. Writings

Manufacturers Casualty because of unfavorable experience, has discontinued writing business in New York City except for fidelity, surety, burglary and glass. It will devote more attention to suburban and Long Island territories. Special Agent William E. Byrne, Jr., has been appointed agency supervisor in charge of an expansion program in Westchester, Putnam and Dutchess counties, James Herron was given a similar assignment for Long Island.

Scrutinize Experience in Auto Dealer Bonds in Utah

Bonding companies that last year were doing a land office business under the new Utah requirement that automobile dealers put up a \$5,000 corporate surety while their salesmen post a bond of \$1,000, have lately been faced with a mounting list of claims, and this business is being rationed.

The law was put in effect July 1 and required the dealers, in addition to their bonds, to pay annual license fees of \$40, and salesmen \$5. It applied to new and used car dealers.

Colorado Has Same Law

The same law was adopted in Colorado and has worked successfully for four years, but Utah put in the requirement at about the time the used car market began to disintegrate. About 130 automobile dealers in the state have quit since the law went into effect rather than pay the license fee and put up a bond. A number of these have left untidy financial entanglements behind, and it is expected that 10% of the state's 465 dealers will be out of business before spring.

The bond contract requires that the

companies give a 60-day notice of cancellation, and since a like term is granted before dealers' licenses are cancelled, the bonding companies face an unhappy 60 days. Business on this line is now being screened carefully by the agents and companies.

Four at Employers Re Home Office Are Advanced

KANSAS CITY—Joseph L. Campbell, in charge of the fire reinsurance department of Employers Reinsurance, has been elected a vice-president. He has been with Employers three years, having been elected an assistant secretary in 1948. He was formerly vice-president of Inter-Ocean Reinsurance with which he was connected for 21 years.

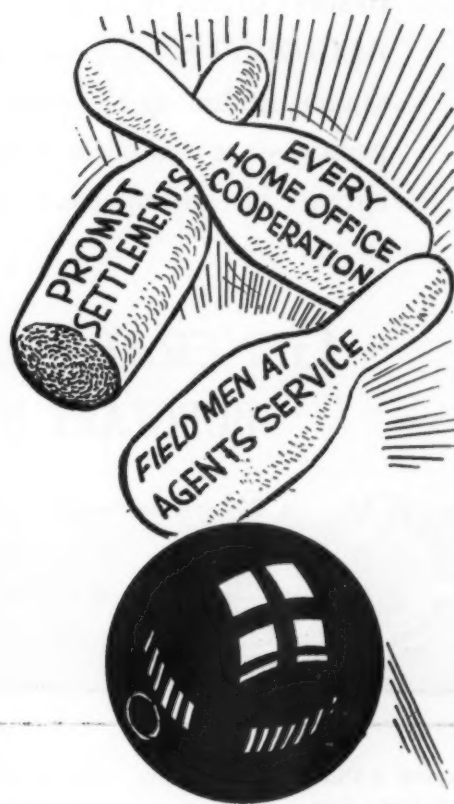
Norman E. Risjord, who has been associated with Employers since 1941, was elected general counsel. He has been an assistant secretary since 1945. With the exception of a few years during which he practiced law in Manitowoc, Wis., following his graduation from the law school of University of Wisconsin in 1930, he has specialized in the writing of insurance contracts.

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These three great companies give speedy, efficient service, pay claims promptly and provide the highest type of field representative to work closely with agents. Yes, you'll find HAWKEYE-SECURITY-INDUSTRIAL a fine combination to team up with.



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ACCIDENT AND HEALTH

Hold Seminar on Statutory Disability Cover March 1-2

Bureau of A. & H. Underwriters will conduct an educational seminar March 1-2 at New York on statutory disability

insurance. The discussions will include a thorough review of the laws and regulations in California, New Jersey and New York. Attendance will be restricted to representatives of bureau companies and of the New York insur-

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ance department and workmen's compensation board. Even member companies have been asked to limit their representation.

The general chairman will be Logan Bidle, Aetna Life. In charge of discussions will be P. J. Burns, Eagle-Globe-Royal Indemnity.

The March 1 session will be opened by A. J. Bohlinger, New York deputy superintendent. Various aspects of the subject will be discussed by Louis A. Orsini of the bureau staff; Francis T. Curran, Commercial Casualty; Henry S. Beers, Aetna Life; Edwin H. Marshall, Indemnity of North America, and George E. Light, Travelers.

Speakers the second day will include Miss Mary Donlon, chairman compensation board; S. Daniel Juliani, Aetna Life; William F. Brownlee, Connecticut General Life; Maurice L. Furnivall, Travelers; Willett K. Boger, Jr., Hartford Accident; Samuel B. Reed, Connecticut General Life, and Harry V. Williams, Hartford Accident.

Hulse Eastern V.-P. of Jefferson National Life

Willis B. Hulse, who has been vice-president of Educators Mutual, has joined Jefferson National Life as resident vice-president in charge of eastern operations, with temporary headquarters at York, Pa. The company is now licensed in Pennsylvania and Mr. Hulse already has formulated plans for establishing general agencies in eight principal cities in that state. Other eastern states will be entered from time to time.

Mr. Hulse has been in A. & H. work since 1927, with Aetna Life, Ocean Accident, Continental Casualty, American Mutual Liability and Manufacturers Casualty before joining Educators Mutual.

Jefferson National began business in 1939, offering a full program of life contracts. Later A. & H. and hospitalization facilities were added.

A. & H. Bureau Institutes Six Specialized Studies

Bureau of A. & H. Underwriters has instituted six specialized studies with subcommittees conducting the investigations and preparing reports which will be made available to member companies.

One is a thorough investigation into the past and present methods of writing non-cancellable insurance. The subcommittee making this study is headed by Laurence B. Soper, Connecticut General Life. A complete investigation of health insurance as written by various types of insurers will be directed by Gerald S. Parker, Preferred Accident.

Neil J. Brown, Hartford Accident, is chairman of a subcommittee to consider the possibilities of writing insurance on an individual family or franchise basis under the medical society plans already placed in effect in several states. So far most of the insurance written under these plans has been on a group basis, with only a very few companies writing on an individual, franchise or family basis.

Other studies include an investigation of the problem of writing substandard or impaired risks by E. A. Hauschild, Security Mutual Life; an investigation of writing older age risks by John F. Lydon, Ocean Accident, and an investigation of writing accident insurance on hazardous occupations by F. T. Corby, Home Indemnity. A review of application forms now in use is under the chairmanship of Ray L. Hills, Great American Indemnity.

The hospital expense insurance sub-

committee was instructed to investigate the possibility of developing the basis for a hospital admission plan which would be workable for individual and family policies. Such plans have recently been developed in several cities but are applicable only to group business.

Nominations for Gordon Memorial Award Requested

Chicago A. & H. Assn. has sent out blanks on which nominations are to be made for the Harold R. Gordon Memorial Award for 1950. The award may be given to any person in the business or outside of it for service rendered to accident and health insurance in 1949 or for sustained and meritorious service over a long period. Any person connected with the accident and health business, directly or indirectly, may submit a nomination. They are to be received by the executive board of the Chicago association before March 1.

Chairman of the award committee is Irving G. Wessman, Loyalty group, immediate past president of the Chicago association, and vice-chairman Maryland Hull, Zurich, head of the women's division. The nomination forms, with a statement of the accomplishments of the nominee, are to be sent to Mr. Wessman at 120 South La Salle street, Chicago 3. The selection will be made by the executive board of the Chicago association and the public announcement of the award will be made at the convention of International Assn. of A. & H. Underwriters the week of June 26.

The first award last year was made to E. H. O'Connor, Insurance Economics Society, and the presentation of the accident and health industry "Oscar" was made to him at the International association convention at Cleveland.

H. & A. Conference Holds Regional Meeting at Boston

More than 40 representatives of 17 companies in Massachusetts, Maine and New Hampshire turned out Feb. 2 for the Boston regional meeting of Health & Accident Underwriters Conference. This was the fourth in a series of such regionals, the last two of which will be conducted at Chicago Feb. 13-15 and at Los Angeles.

Representing the conference were C. O. Pauley, managing director, and John P. Hanna, associate managing director.

The speakers were Frank Harrington, president of Massachusetts Protective and H. & A. Underwriters Conference; John M. Powell, president of Loyal Protective Life, who discussed Massachusetts legislative developments; Mr. Pauley, whose subject was polio and special diseases policies, and Mr. Hanna who talked on legislation and insurance department rulings.

T. H. Kirkpatrick, vice-president and superintendent of the group department of Paul Revere Life, related up-to-date developments on the New York TDB law and told procedures that should be followed. A thorough discussion of HR 6000, the social security bill, was given by E. P. Goodnow, president of Craftsman. Jarvis Farley, actuary of Massachusetts Indemnity, outlined the proposed standard provisions law, and Leslie P. Hemry, vice-president of American Mutual Liability, took up voluntary insurance and its relations with the public.

Sterling Enters Wyoming

Sterling of Chicago has entered Wyoming to write life and disability insurance. It is now licensed in 18 states and District of Columbia and expects to enter several additional states soon.

Sterling declared a dividend of 10 cents a share on its stock at the annual meeting.



Willis B. Hulse

W. R. Land

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CHANGES IN CASUALTY FIELD

W. R. Snyder Joins Landon Setup

William R. Snyder has resigned as president of Central National of Omaha to become executive vice-president of the various companies in the auto finance field that are affiliated with Kirk A. Landon & Associates. These are American Bankers of Florida, Retrospective Insurance Underwriters, Credit Insurance Underwriters and National Insurance Agency. Mr. Landon states that the premium writings of his organization now exceed \$15 million.



W. R. Snyder

Mr. Snyder has been president of Central National since it was organized in 1946. This company has specialized in auto finance business on the retrospective plan. It is connected with Securities Acceptance Corp. of Omaha, the chairman of which is Francis P. Matthews, secretary of the navy. Prior to that Mr. Snyder was president of Mid-States of Chicago, which is affiliated with General Finance Corp. In his earlier days he was manager of the Chicago north side branch of Western Adjustment.

Mr. Snyder has purchased a home at Coral Gables, Fla., and will take up his duties at the home office in Miami about Feb. 15.

Dick Named Statistician for New England Casualty

Palmer M. Dick has been appointed statistician for New England Casualty. His new duties will occupy his full time, and Mr. Dick will give up his responsibilities as analyst for the fire companies of Springfield group.

Mr. Dick is a graduate of Amherst College. He joined Springfield in 1922.

Riddell Elected Treasurer of Manufacturers Casualty

John Riddell has been elected treasurer of Manufacturers Casualty, replacing William D. Babcock, Jr., who has resigned to join Keystone Automobile Club.

Mr. Riddell joined Manufacturers Casualty in 1947 after 24 years with Norwich Union Indemnity and Jamestown Mutual.

Mr. Riddell will also serve as treasurer of Manufacturers Fire.

Swanson Joins Dopheide

H. E. Swanson, compensation and liability underwriter for the past eight years in Chicago office of American Casualty, on Feb. 16 joins the Walter L. Dopheide & Co. agency there. Mr. Swanson started in Chicago in 1918 with London Guarantee and had been with Continental Casualty, Associated Agencies and Loyalty group before going with the American Casualty in 1942.

Robinson Resigns L. A. Post

F. R. Robinson, manager at Los Angeles of Massachusetts Bonding for 20 years, has resigned, effective Feb. 15. His plans for the future are expected to be announced shortly.

Reppert to Head Ore. Office

Rainier National will open a new branch office at Portland about March 1 to serve Oregon and southern Wash-

ington. Richard Reppert will be in charge.

Mr. Reppert managed the Oregon office for United Pacific for many years. He is a graduate of Yale and started in insurance with Aetna Life group in 1931.

Fleischer So. Cal. Special

Richard H. Fleischer has become a special agent in the Employers group southern California department. He has been with the group since 1945, starting in the home office payroll audit department and being transferred to southern California shortly thereafter.

New Alamo Cas. Officers

Alamo Casualty, San Antonio, has elected W. H. Powell vice-president and director of the A. & H. department and C. C. Schuchardt, vice-president and director of the claim department.

K. C. Now Branch Office

Standard Accident has enlarged the quarters of its Kansas City service office, and the office has been given branch

office status. Lloyd J. Goulet is manager.

The office will have charge of Kansas, Nebraska and western Missouri. With the exception of the general agencies at Omaha and Wichita, all agents in the territory now report to Kansas City rather than the home office.

Kalamazoo Office Opened

Robert L. Jones has gone from Detroit to open an office at Kalamazoo for Liberty Mutual. O. W. Peck, also of Detroit, is to be claims manager, and Richard Morel, formerly with the Grand Rapids office, will be loss prevention engineer. The office covers nine counties.

Promote Two at Atlanta

Edward T. Brown, Jr., has been appointed resident secretary at Atlanta for American Mutual Liability. He has been with the company since 1942 and was named special representative in the territory in 1947.

W. P. Rogers has been named first resident secretary of the southern brokerage section. He started with the company in 1923 and has been at Atlanta since 1941.

Peerless Opens Own N. Y. Home in Gala Style

Peerless Casualty is officially opening its own building at 32 Cliff street, New York, Friday with a party at which several company executives will be hosts to friends in the business, including President R. C. Carrick, Vice-presidents J. F. Quinan and J. O. Talbot, Secretary E. E. Newcombe, from the home office, and Richard J. Cummins, Vice-president W. E. Snyder and others of the New York office. The new building, which is air conditioned, represents double the space formerly occupied by Peerless at New York.

Flexible Hospital Cover

A flexible hospital policy keyed to a rate of 25 cents per month for each dollar of daily hospital benefit has been introduced by Continental Casualty. From ages 18-59 \$1 a month buys \$4 per day while hospitalized up to 30 days. For children aged 3 months to 7 years, the cost is 50 cents a month and for oldsters 60-80, the cost is \$1.50. There are incidental benefits provided. The insurance may be purchased for daily recoveries ranging from \$3 to \$7 at a cost of two-bits per buck.

multiple line facilities



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FIDELITY
GENERAL CASUALTY
HEALTH
HOSPITALIZATION
INLAND MARINE
LIFE
SURETY

Continental Casualty Company

and Associates: Continental Assurance Company
Transportation Insurance Company
Continental Companies Building • Chicago 4

Boost Mass. "Comp." Rates by 20.5%

The Massachusetts department has approved, effective Feb. 6, an increase in workmen's compensation rates averaging 20.5%. This follows the suggestion of E. S. Cogswell, first deputy commissioner, who previously had disapproved a 28.5% increase, but indicated he would give approval to the 20.5% schedule.

The 28.5% filing of Massachusetts Workmen's Compensation Rating & Inspection Bureau, it was contended was warranted by experience and the 30% benefit increases granted by the

1949 legislature. However, by eliminating the proposed new factor for profit and contingencies, cutting the proposed increase for the new disfigurement and loss of bodily functions benefit from 4 to 3%, and increasing the weight to be given the new rate level adjustment factor, the bureau was able to drop its filing by eight points.

There are substantial rate increases for roofing, concrete construction and boiler making, while tanning, paper manufacturing and cotton spinning and weaving will receive reductions in rates.

Norman E. Gatsch, Columbus local agent, has been chosen to head the Red Cross campaign there. He has headed the insurance division the last two years.

Allstate Now in New Chicago Home

About 4,000 guests, mainly employees of Sears, Roebuck & Co., visited the new 10-story Allstate Insurance Co. building at Chicago on the day of the official opening. All visitors followed the red arrows and thus were able to see all of the modern



C. Fentress, Jr.

equipment and refinements of this structure which injects a striking new note in the blocks of buildings comprising the Sears, Roebuck & Co. community at Chicago.

The Allstate companies occupy much of the basement space, the entire first floor and about half of the second floor. The rest of the building is rapidly being taken over by Sears, Roebuck departments. The visitors were much interested in the difference in interior treatment that was decided upon by Allstate for its quarters and Sears, Roebuck for space that it is occupying.

The circulation in the building is excellent and this crowd of 4,000 was absorbed without any hint of congestion.

Calvin Fentress, Jr., the president, was the main host. An interested visitor was Mrs. R. E. Wood, whose husband is chairman of Sears, Roebuck, and who is the mother of Mrs. Calvin Fentress, Jr.

E. F. Williams, vice-president, who has been away on account of illness for several months, was able to be on hand for the opening and he was greeted with affection on all sides.

The building has a gross area of 320,000 feet and was designed by Carr & Wright, Chicago architects. B-W Construction Co., Chicago, was the general contractor. C. A. Potts, property manager, supervised the planning and construction for Allstate.

The design is modern and materials for the exterior were chosen so the building would blend with adjacent structures and yet have an individuality of its own. Hard burned dark and light brick were used for exterior walls with

aluminum trim utilized in the windows, spandrels, continuous sill flashing, and copings.

Allstate's Chicago regional office, operating as one of 12 decentralized branches, will remain in the Civic Opera building, taking over additional space vacated by the home office staff.

An air conditioning system provides heating, ventilating, cooling, filtering and humidity control throughout the building. In general, the lighting throughout is fluorescent with incandescent provided in stair halls and for emergency lighting. Four high speed passenger elevators and one freight elevator serve the building. Another feature is a complete first aid room.

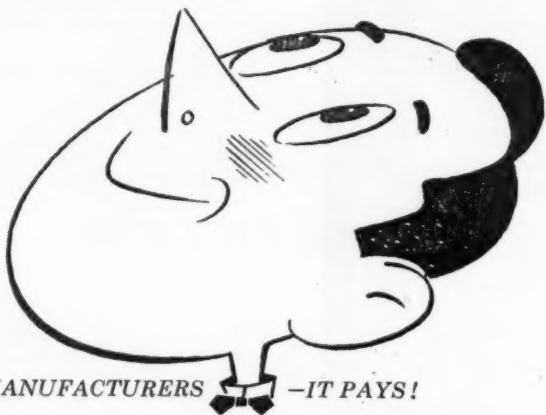
The interior finish in general consists of acoustical ceilings, plaster walls, cork composition floors and oak or mahogany doors and trim. The entrance lobby and first floor elevator lobby are treated with an Alps green marble wainscot. The elevator lobbies have terrazzo floors and bases with linoleum wainscots. The rest rooms also have terrazzo floors with glazed tile walls.

The structural frame of the Allstate building is reinforced concrete with deep spandrel beams and flat slab floors. The use of flat slab construction made it possible to provide an additional floor inside zoning volume limitations. The building has a basement floor which provides a substantial area for general office usage.



Manufacturers Casualty is making things LOOK UP in the CONTRACT BOND BUSINESS!

Builders and contractors are as active as beavers these days—For alert agents and brokers this paves the way for Contract Bond business... opens up another highway to extra profits. It will pay you to look up Surety Bond prospects in your area. But before that—look up Manufacturers. Write, or call our nearest office.



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Discrimination Issue in N. Y.

A resolution introduced by Sen. Santangelo of Manhattan to create a joint legislative committee for studying the extent of discrimination and legislation needed to wipe it out, touched off a sharp debate in the New York legislature over insurance discrimination against Negroes. The Democrats argued a state insurance fund might have to be set up to provide residents of Harlem with adequate protection, as the state fund was set up to permit employers to get workmen's compensation from a source other than private insurers.

Democrats charged Republicans with failure to support the measures introduced in the past that would outlaw insurer discrimination based on race, color or national origin. The response by Majority Leader Wicks was that no party has a monopoly on the fight against discrimination. He said he would instruct the senate insurance committee to make discrimination one of its first problems this session.

Santangelo said that thousands of Harlem residents had had their applications for all kinds of insurance turned down, with a systematic refusal to renew policies on expiration. The conduct of insurers is part of a common plan to leave unprotected and uninsured certain areas of New York City, he charged. The state insurance department failed to act on ground it has no power to intervene and its present staff is inadequate to cope with such conduct, he declared. The assigned risk plan was cited as a way of discriminating in the rate against Negroes.

Meets at Chicago Soon

The N.A.I.A. executive committee will meet at the Stevens Hotel, Chicago Feb. 24-26, and the agency management and commission committee will meet at the same time. Several current problems are on the agenda.

J. C. Stephens has been appointed chief claims examiner in Canada for Maryland Casualty.

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the SEC. banks are Another Frear bill insurers, well. The to apply debentures placements curity is The Frear shall file spect to eated, the ment. Th notes, bor connection by any ision, and are held b The com a construc advantages loans. It be the for requirement Truman B

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Exemption from Frear Bill Sought

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the SEC. Many of the exempted banks are supervised by the states.

Another important question which the Frear bill raised affects not only stock insurers, but mutual life companies as well. The bill probably will be construed to apply to issuers of notes, bond or debentures in connection with direct placements. Under the SEC act, a security is defined as any "note, stock, treasury stock, bond, debenture, etc." The Frear bill states that the issuer shall file with the commission with respect to each of its securities not registered, the required registration statement. This would appear to apply to notes, bonds or debentures issued in connection with direct placement loans by any issuer with assets over \$3 million, and outstanding securities which are held by 300 persons or more.

The company people feel that such a construction would destroy one of the advantages enjoyed by issuers of direct loans. It is suspected that this might be the forerunner of more burdensome requirements.

Truman Backing

The Frear bill was not acted on in the last session of Congress, but has come up again strong, backed by unexpected presidential pressure. President Truman has sent a message to Congress urging that the Frear bill be enacted and backing the SEC claim that it will end alleged discrimination between investors on organized exchanges and those who are not on these exchanges. A large number of business groups have been seeking exemption from the measure which it is estimated would extend the list of corporations required to supply the information by some 1,100.

The Frear bill, as it now stands, would force the larger stock insurers to submit information on the organization, financial structure, and nature of their business, including:

The terms, position, rights and privileges of the different classes of security outstanding;

The terms on which their securities are to be, and during the preceding years have been, offered to the public or otherwise;

The directors, officers and underwriters, and each security holder of record holding more than 10% of any class of any equity security of the issuer (other than an exempted security), their remuneration and their interest in the securities of, and their material contracts with, the issuer and any person directly or indirectly controlling or controlled by, or under direct or indirect, control of the issuer;

Remuneration to others and directors and officers exceeding \$20,000 per annum; Bonus and profit-sharing arrangements; Management and service contracts; Options existing or to be created in respect of their securities;

Balance sheets for not more than the three preceding fiscal years, certified if required by the rules and regulations of the commission by independent public accountants;

Profit and loss statements for not more than the three preceding fiscal years, certified if required by the rules and regulations of the commission by independent public accountants and

Any further financial statements which the commission may deem necessary or appropriate for the protection of investors.

Non-Can Policies Reviewed

Agents and district managers of the R. S. Pope state agency of Federal Life held a sales conference at Bay City, Mich. Emery Huff, superintendent of agents, and Herbert Jensen, assistant agency supervisor, discussed the company's new non-cancellable A. & H. contracts. Greater service to policyholders was stressed.

Big Fire Loss at St. Louis

A fire that gutted the 3½-story Mesker Bros. Iron Co. and did considerable damage in the Hanley & Kinsella Coffee & Spices Co. building at St. Louis Jan. 31, is estimated to have produced an insurance loss in excess of \$300,000. The fire started in the Mesker foundry

building and spread to the Hanley & Kinsella building. Coffees, spices and groceries stored in the latter structure were consumed, while the foundry roof crashed in and parts of the third and second floors collapsed. The building and contents loss to the Mesker Bros. Co. is estimated at \$200,000, while the Hanley & Kinsella firm will suffer at least a \$50,000 loss. The Reinhardt Printing Co. had damage totaling about \$1,000.

N. C. to Air Liability Premium Discount Plans

RALEIGH, N. C.—Premium discount plans for holders of liability policies on which the standard limits premiums exceed \$1,000 a year have been proposed in North Carolina and will be discussed at a public hearing Feb. 21.

The plans are identical, according to Commissioner Cheek, with those already adopted in New York and New Hampshire and on file in Virginia. The proposals, both similar, were made for automobile B.I. and P.D. by North Carolina Automobile Rate Administrative Office and for other liability lines

by National Bureau of Casualty Underwriters.

Ill. Farm Group Holds Big Chicago Roundup

The insurance companies subsidiary to Illinois Agricultural Assn. held an enthusiastic two-day agency gathering at the Edgewater Beach hotel, Chicago. The main event was a banquet Monday that was attended by some 700, including farm bureau insurance leaders from a number of other states. The Illinois companies are Country Life, which is now a \$400 million insurance in force institution, Country Mutual Casualty and Country Mutual Fire.

At the banquet, A. E. Richardson, who is general manager of the life company, presided in homespun witty fashion. Among those that he introduced were Frank Bartsch, Illinois deputy insurance director; Darrell L. Achenbach, who heads the fire company; Frank V. Wilcox, head of the casualty company and Duane E. Kuntz, sales director.

Charles B. Shuman, president of Illinois Agricultural Assn., was a banquet speaker, along with Insurance Director Hershey of Illinois and Col. Jack

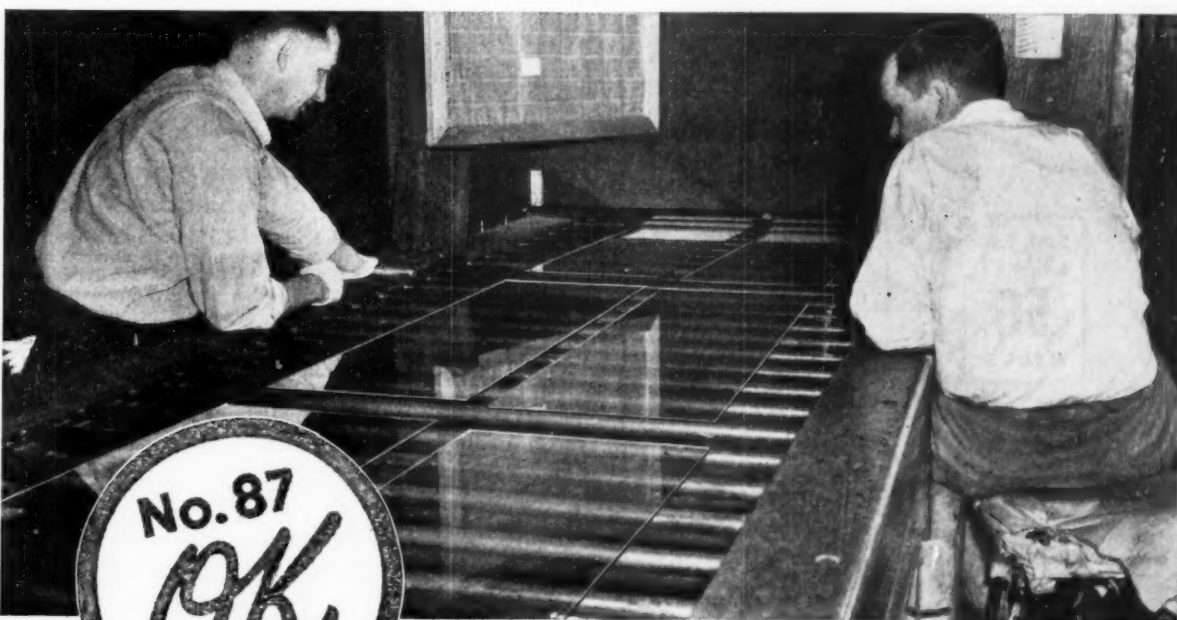
Major of Paducah, Ky., professional wit and philosopher.

New York OK's Latest Assigned Risk Changes

The New York department has approved the most recent amendments of the national advisory committee on automobile assigned risk plans. These provide that there shall be no splitting among individual insurers of fleets of five or fewer cars. Also, there is a hurry-up feature in connection with the issuance of policies. In the past the company had 14 days to investigate the risk, etc. Now it is provided that unless there is something evident on the face of the application that demands special investigation, policies shall be issued within two working days or if data is lacking on which to determine a rate, a binder shall be issued within two days.

Name Slater Vice-President

Educators Mutual has elected A. A. Slater a vice-president. He has been director of agencies of the company and formerly was with American Home Mutual Life and Washington National.



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High-quality safety glass must be made of high-quality glass and plastic. We're constantly checking quality at every stage in the manufacture of L-O-F Hi-Test Safety Plate Glass.

Our Check No. 87 is a good example. Here the glass on the conveyor leaving the washing and drying machines is inspected under special lighting before moving on to the assembly room. Out goes any glass that is not up to standard.

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3. Better strength for safety
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NEWS OF THE CASUALTY COMPANIES

American Cas., Am. Aviation Register Gains

Net premiums written in 1949 by American Casualty totaled \$16,162,715, and the wholly owned fire affiliate, American Aviation & General, had premiums of \$4,848,367. The companies registered gains in all classes except fidelity and workmen's compensation.

Assets of American Casualty at Dec. 31 were \$21,178,401, and the net surplus was \$3,435,189. The company had a gain from underwriting of \$330,328 and net investment income was \$406,655. The reserve for unearned premiums stood at \$6,846,353.

American Aviation & General had assets of \$6,056,550 and a net surplus of \$2,041,037. The company had an underwriting gain of \$348,873 and an investment income of \$107,269. The unearned premium reserve totaled \$3,259,769.

On a combined basis, the companies had a premium increase of 21.8%, assets

went up 30.2%, surplus, 39.3% and the net earnings after taxes increased 150%. Two 5% stock dividends aggregating \$153,750 were paid during the year, and an additional 2½% stock dividend was declared in November and paid in January. The company report states that while no dividend action will be taken until the February meeting, it is still contemplated that the program of paying alternate quarterly 25 cent cash and 2% stock dividends will be adopted.

Transport Exchange, L. A., Becomes Stock Company

LOS ANGELES—Transport Indemnity of Los Angeles, which succeeds Transport Insurance Exchange, thus changing from an interinsurer to a stock company, has been licensed to write marine and various casualty lines in California. It has applied for admission to Washington, Oregon, Montana, Idaho, Utah, New Mexico, Colorado, Arizona and Texas.

Application has been made for a permit to issue not to exceed 40,500 shares of \$10 par value stock to subscribers of

the exchange in return for release of all its assets and business to Transport Indemnity and to issue 17,500 shares to Transport Underwriters Assn., attorney-in-fact for the exchange, in cancellation of \$350,000 contribution certificates.

Commissioner Downey at a hearing approved the plan of transformation.

Maryland Cas. Reports on 1949

Gross premium writings of Maryland Casualty for 1949 were the highest in history, totaling \$64,538,015, according to the report of Stewart McDonald, chairman, at the stockholders meeting. Net premium writings were \$60,012,031, representing an increase of 4.6% over 1948.

The company's profit from underwriting was \$2,928,594. Investment income accounted for \$2,142,916.

Net earnings for the year amounted to \$3,453,236 after providing for income taxes of \$1,594,706. Other taxes incurred amounted to \$2,058,535. Dividends totaling \$991,670 were paid on preferred stocks, and \$599,867, including an extra year-end payment of 25 cents a share, on common.

During 1949 in accordance with provisions of its charter, Maryland purchased and retired 3,225 shares of its \$2.10 cumulative prior preferred stock, 230,668 shares of which are now outstanding.

Net surplus at Dec. 31 was \$20,055,581, an increase of \$1,730,717.

Reorganization of Keystone Mutual Denied by Malone

Commissioner Malone of Pennsylvania has been given an opinion of the state department of justice advising him to continue the present liquidation proceedings of Keystone Mutual Casualty. The opinion further advised disapproval of a plan to reorganize or rehabilitate the company, which was submitted to Mr. Malone in October, and referred by him to the attorney general for an opinion.

Under the proposed plan the assets of Keystone Mutual, in the hands of the commissioner as statutory liquidator, would be turned over to the reorganizers who would settle claims on a going-company basis and retain any profit made thereby. The opinion concluded that under Pennsylvania insurance statutes there is no authority for approval of the plan.

Shelby Mutual Assets Up 25% in Year

Shelby Mutual Casualty rounded out its 70th year with an increase in assets of better than 25%, bringing that figure to \$9,264,153 as with surplus standing at \$1,876,958. Feb. 5 was the anniversary date. On Feb. 5, 1880 a charter was issued. The company began operations outside of Ohio in 1921. Plate glass insurance was the field in which the Shelby Mutual did its pioneering in the nineteenth century.

From the day it opened for business the company has operated on an agency basis and claims to be the oldest mutual casualty company writing business through agents, and also the oldest multiple line mutual casualty company.

U.S.F.&G. Stockholders Take Up 98.1% of New Shares

Of the 300,000 shares of additional stock of U. S. F. & G. offered to stockholders of record Jan. 13, 294,364 shares or 98.1% had been subscribed by stockholders on expiration of the rights Feb. 1.

The remaining 5,636 shares have been purchased by the underwriters under the terms of the underwriting agreement. They have offered the unsubscribed shares, plus 712 shares acquired in the open market before expiration of the

warrants, at the current market price of 52¾.

The underwriting syndicate is headed by Alex. Brown & Sons, Baker, Watts & Co., John C. Legg & Co. and Stein Bros. & Boyce.

Stockholders of U. S. F. & G. were originally offered the right to subscribe to the 300,000 shares at \$40 a share in the ratio of one new share for each 3 1/3 shares held.

Surplus in the following company reports refers to surplus to policyholders

	Net	Paid
	Premiums	Losses
American Automobile —Assets, \$64,170,480, Incr., \$4,142,040; unearned prem., \$17,995,697; loss res., \$20,906,035; capital, \$2,000,000; surplus, \$20,924,377, Incr., \$704,422.		
Accident	\$ 9,089	\$ 2,301
Auto liability	16,467,322	6,244,943
Other liability	3,521,507	1,028,864
Workmen's comp. ..	5,077,057	2,408,028
Fidelity	316,471	32,978
Surety	171,871	2,461
Glass	421,025	143,792
Burglary & theft ..	1,315,465	380,805
Auto prop. damage ..	8,847,066	4,003,489
Auto collision	20,941	619,731
Other P.D. & coll. ..	1,027,212	193,477
Totals	\$37,195,031	\$15,057,744

American Bonding—Assets, \$3,258,240, Incr., \$271,830; unearned prem., \$2,457,058; loss res., \$962,247; capital, \$1,000,000; surplus, \$2,607,656, Incr., \$102,431.

*Carried by Fidelity & Deposit. All business reinsured by F. & D.

Associated Indemnity —Assets, \$19,263,595, decr., \$368,100; unearned prem., \$1,442,114; loss res., \$8,710,856; capital, \$1,000,000; surplus, \$7,316,658, Incr., \$430,102.		
Accident	\$ 1,371	\$ 1,122
Health	12,340	8,857
Group A. & H.	1,352,923	938,844
Auto liability	198,313	92,766
Other liability	588,172	263,096
Workmen's comp. ..	8,255,180	4,733,765
Fidelity	4,309	3,134
Surety	11,278	5,989
Glass	—99	1,366
Burglary & theft ..	15,042	559
Auto prop. damage ..	91,163	36,861
Auto collision	482	—2,912
Other P.D. & coll. ..	182,623	57,519
Totals	\$10,713,104	\$6,129,989

Buckeye Union Cas. —Assets, \$11,146,030, Incr., \$2,062,902; unearned prem., \$4,724,379; loss res., \$3,069,023; capital, \$1,000,000; surplus, \$2,476,932, Incr., \$388,247.		
Auto accident	\$ 326,833	\$ 130,999
Auto liability	2,299,174	945,812
Other liability	646,597	103,364
Fidelity	36,627	440
Surety	44,927	100
Glass	126,038	42,008
Burglary & theft ..	255,907	93,806
Comprehensive	1,041,356	259,425
Auto prop. damage ..	2,034,628	899,109
Auto collision	2,205,500	694,062
Other P.D. & coll. ..	167,952	55,056
Towing	2,569	439
Totals	\$9,184,108	\$3,224,321

Cas. Reciprocal Exchange, Mo. —Assets, \$6,857,941, Incr., \$789,427; unearned prem., \$1,436,737; loss res., \$29,933; surplus, \$1,669,476, Incr., \$417,176.		
Auto liability	\$1,666,459	\$ 752,353
Other liability	125,251	53,767
Workmen's comp. ..	1,268,933	567,482
Glass	6,629	2,756
Burglary & theft ..	4,573	135
Auto prop. damage ..	754,512	368,861
Auto collision	329,427	120,620
Other P.D. & coll. ..	48,444	6,252
Other auto	157,682	44,201
Auto fire & theft ..	71,329	7,471
Totals	\$4,433,244	\$1,925,860

Continental Casualty —Assets, \$121,494,492, Incr., \$17,656,989; unearned prem., \$31,779,259; loss res., \$39,705,025; capital, \$6,000,000; surplus, \$39,905,078, Incr., \$5,913,693.		
Accident	\$13,668,372	\$4,133,075
Health	27,904,540	9,367,213
Group A. & H.	10,802,576	6,167,594
Non-can. A. & H.	305,971	806,735
Auto liability	10,939,495	4,713,799
Other liability	4,582,688	1,390,442
Workmen's comp. ..	9,552,582	4,469,324
Fidelity	529,258	259,707
Surety	2,983,453	547,115
Glass	681,371	265,523
Burglary & theft ..	1,774,645	657,914
Auto prop. damage ..	5,594,083	2,781,868
Auto collision	7,654	442
Other P.D. & coll. ..	744,923	167,019
Totals	\$90,071,618	\$35,727,847

Fidelity & Deposit —Assets, \$47,757,775, Incr., \$3,201,599; unearned prem., \$15,531,913; loss res., \$5,904,012; capital, \$3,000,000; surplus, \$23,211,383, Incr., \$1,776,931.		
Liability (not auto) ..	\$ 65,452	\$ 10,938

Fidelity
Surety
Glass
Burglary
Totals
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SIGNS OF THE TIMES?
Lives and money wasted — may we waste no further time in bringing about uniform traffic regulation — stop this **COSTLY CONFUSION**

THE YORKSHIRE INSURANCE CO. LTD.
SEABOARD FIRE & MARINE AND THE
YORKSHIRE INDEMNITY CO. OF N.Y.

90 JOHN STREET — NEW YORK CITY

	Net Premiums	Paid Losses
Fidelity	5,431,604	1,386,701
Surety	6,320,186	191,731
Glass	605,155	230,494
Burglary & theft...	4,289,773	1,671,138
Totals	\$16,712,170	\$3,491,582

Harbor, Cal.—Assets, \$2,816,985, incr., \$874,532; unearned prem., \$1,591,733, loss res., \$472,532; capital, \$250,000; surplus, \$429,340, incr., \$128,582.
Auto liability \$ 596,903 **\$ 208,004**
Other liability 56,127 **7,569**

	Net Premiums	Paid Losses
Auto prop. damage..	457,422	150,647
Auto collision	1,170,597	259,307
Other P.D. & coll...	20,241	3,247
Other auto	406,999	92,477
Totals	\$2,708,290	\$721,252

Hartford Steam Boiler—Assets, \$29,091,918, incr., \$1,847,926; unearned prem., \$16,266,262; loss res., \$1,344,356; capital, \$3,000,000; surplus, \$10,960,423, incr., \$1,509,397.
Boiler & mach.... \$11,382,754 **\$2,814,041**

	Net Premiums	Paid Losses
Illinois National Cas.—Assets, \$4,190,001, incr., \$801,379, unearned prem., \$1,595,130; loss res., \$1,068,004; capital, \$300,000; surplus, \$1,106,565, incr., \$297,310.		
Auto medical	\$ 137,887	\$ 48,786
Auto liability	1,187,969	379,047
Other liability	21,625	883
Medical	8,285	2,532
Auto & travel acc...	4,540	323
Auto prop. damage..	935,672	360,947
Auto collision	1,054,020	406,822
Other P.D. & coll...	5,507	394
Other auto	448,207	115,441
Totals	\$3,803,714	\$1,315,179

Monarch Life—Assets, \$25,661,307, incr., \$3,241,530; unearned prem., \$2,115,465; loss res., \$1,329,990; capital, \$1,000,000; surplus, \$4,824,170, incr., \$651,770.

*Does not include non-cancellable A. & H. reserve of \$2,628,453.

Accident	\$ 36,990	\$ 17,933
A. & H.	89,473	68,007
Non-can. A. & H....	\$587,799	3,930,256
Hospital & med. exp.	253,628	141,768
Totals	\$8,966,990	\$4,157,964

Mutual Benefit H. & A.—Assets, \$100,650,833, incr., \$13,272,200; unearned prem., \$20,099,795; loss res., \$39,512,986; surplus, \$38,009,534, incr., \$4,541,898.

A. & H.	\$83,664,138	\$43,674,119
Group A. & H....	1,043,079	820,443
Non-can. A. & H....	419,269	241,480
Totals	\$85,126,486	\$44,736,042

Texas Indemnity—Assets, \$1,254,650, decr., \$55,835; unearned prem., \$272,869; loss res., \$409,293; capital, \$300,000; surplus, \$510,109, incr., \$10,109.

Workmen's comp. ... \$ 564,581 **\$ 311,261**

Traders & General—Assets, \$7,505,548, incr., \$1,065,070; unearned prem., \$2,838,004; loss res., \$2,148,929; capital, \$500,000; surplus, \$1,570,192, incr., \$80,992.

Auto liability	\$1,292,783	\$ 478,467
Other liability	327,984	41,777
Workmen's comp ...	2,380,697	1,306,594
Fidelity	4,107	3,098
Surety	4,124	.....

Glass	39,199	15,141
Burglary & theft...	20,863	10,530
Bus. prem. med. pymts.	636	687
Auto prop. damage..	809,154	396,612
Auto collision	1,316,353	481,893
Other P.D. & coll...	144,795	21,133
Other auto	572,104	163,412
Inland marine	412	1,406
Totals	\$6,913,211	\$2,920,750

Tri-State Casualty, Tulsa—Assets, \$3,526,510, incr., \$292,644; unearned prem., \$1,180,101; loss res., \$1,023,619; capital, \$250,000; surplus, \$891,965, incr., \$216,373.

Auto liability	\$ 823,269	\$ 274,751
Other liability	84,509	8,348
Workmen's comp. ...	903,182	497,769
Surety	311	.....
Glass	74	142
Burglary & theft ...	457	377
Fire A.E.C.	579	.....
All other auto	315,916	112,278
Auto prop. damage..	595,492	152,109
Auto collision	520,570	305,999
Other P.D. & coll...	49,694	10,484
Auto cargo	80,902	29,708
Totals	\$3,374,954	\$1,391,965

United Pacific—Assets, \$13,819,764, incr., \$2,296,141; unearned prem., \$3,742,436; loss res., \$4,651,848; capital, \$1,000,000, incr., \$400,000; surplus, \$3,575,000, incr., \$479,297.

Group A. & H....	\$ 754,313	\$ 526,626
Auto liability	2,209,670	709,546
Other liability	1,042,140	263,032
Workmen's comp. ...	1,118,613	478,799
Fidelity	110,572	20,781
Surety	768,638	93,248
Glass	69,517	29,407
Burglary & theft...	196,465	82,943
Auto prop. damage..	1,318,682	494,230
Auto collision	1,217,469	323,280
Other P.D. & coll...	499,436	127,542
Other auto	683,480	186,260
Totals	\$9,988,995	\$3,335,694

WANT ADS

WANTED SEVERAL CASUALTY CLAIM ADJUSTERS

Preference given to men with limited experience. Location Columbus, Detroit, Pittsburgh, Denver, Kansas City and St. Paul. Good salary and splendid opportunity for advancement. All replies treated in confidence. Apply by letter ONLY to

A. P. Sigmans, Assistant Secretary

**HARTFORD ACCIDENT
AND INDEMNITY COMPANY**
690 Asylum Avenue
Hartford, Connecticut

Excellent Opportunity—

Arizona field representative with service office in Phoenix wanted by Maryland Casualty Company. Applicant must have casualty and bonding experience.

Good salary and opportunity for advancement. State experience and salary required. Replies held in strictest confidence—

Write: T. W. Michels, Res. Vice Pres.
634 S. Spring St.
Los Angeles, 14 Calif.

CASUALTY MANAGER FOR MARYLAND

Experienced casualty manager for Maryland, particularly well posted on Baltimore conditions. Unusual opportunity with progressive stock company for properly qualified person. Replies confidential. Present staff aware of vacancy. Write Y-59, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Experienced casualty claim adjuster for home office claim examiner's position. Write, giving necessary information as to background, etc. Good opportunity. Special offer for man with bus. truck and taxicab experience. Our organization has knowledge of this advertisement. Address reply to Box 1275, Burlington, North Carolina.

AVAILABLE

Claims Attorney, Broker & Agent, 10 years extensive Casualty Compensation and Dramshop experience. Best References. Address Y-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

FOR SALE

INSURANCE LAW JOURNAL VOLS. 1-91 BOUND (EXCEPT VOLS. 89, 90, 91) AND IN GOOD CONDITION. \$795. TERMS AVAILABLE. ADDRESS P. NICHOLS, SEC'Y G. R. BAR ASS'N MICH. TRUST BLDG., GRAND RAPIDS, MICH.

AVAILABLE

College graduate, age 25, married, experienced as Surety Special Agent, also general agency experience, Parts I and II of C.P.C.U. completed. Ohio location preferred. Address Y-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

COMP. & LIAB. UND.

WANTED

Prefer man 25 to 30 with 2 or 3 years experience. This position in Chicago office of large stock casualty company. Excellent opportunity for advancement. In reply give complete information or qualifications and salary. Replies confidential. Address Y-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



You'd welcome a guide when snow covers your tracks...

And expert help can be just as valuable when planning power-plant insurance.

A great many boiler and machinery policies need to be tailor-made to fit individual needs. This takes specialized experience—the kind of experience a field representative of Hartford Steam Boiler has to offer.

By calling on his counsel, you can better assure your clients the protection they need for boilers and machinery. He will bring you Hartford Steam Boiler's know-how—gained from 84 years of specialization in this one field—plus Hartford's program of periodic inspections and reputation for bedrock dependability.



The Hartford Steam Boiler Inspection and Insurance Company

Uniform Accounting Field Day Set for N. Y. April 3

T. F. Tarbell as chairman of the industry uniform accounting committee, in a communication to J. J. Higgins of New York, chairman of the N.A.I.C. counterpart committee, recommends that the item which the insurance commissioners are designating as "traveling and entertaining," should be called "travel and travel items." The industry committee feels that the commissioners' phraseology may result in incorrect impressions or conclusions on the part of the public and is objectionable from a public relations standpoint.

W. H. Sherin, Iowa deputy, remarks on the probability that insurers will get from one state answers to questions on interpretations of uniform accounting regulations that will be exactly opposite to the answers given to the same questions in other states. Hence he suggests that a method of exchange of information on such answers be considered.

Mr. Higgins in a bulletin states the New York department is starting out to investigate expense allocations of title insurance, with the idea of eventually getting up uniform accounting instructions for title insurance companies which for the main part up and down the line have been able to escape practically all of the regulations that have borne down so heavily on all other types of insurance.

These are some of the matters that have been tossed into the hopper for discussion at the meeting of the uniform accounting subcommittee of N.A.I.C. at Hotel Commodore, New York, April 3, to which everybody is invited. If necessary the meeting will continue through April 4.

Edward P. Gilgun, local agent at Woburn, has been appointed Massachusetts state fire marshal. He succeeds Everett I. Flanders.

Commissioners Bare Fangs to FTC

(CONTINUED FROM PAGE 1)

said, objects to the inclusion of the words "insurance company" in rule 4. Under public law 15, Congress has provided that the FTC act shall apply to the business of insurance only to the extent that the business is not regulated by state law. "It is submitted," he said, "that there is a national pattern of state regulation covering the subject matter of rule 4 insofar as it applies to insurance companies and their agents."

Mr. Larson submitted two digests covering the relevant provisions of state statutes applicable to insurance companies, and to insurance agents.

He emphasized that false or misleading advertising by insurance companies is the subject of statutory prohibition in practically every state and that 24 states have enacted insurance unfair trade practice acts.

Practices that are generally prohibited at the penalty of revocation of agents' licenses include misrepresentation of policy terms; violation of insurance law; fraudulent or dishonest practices; misrepresentation in solicitation; incompetence or untrustworthiness; improper service to insurer or public; unfair business practices; charging more than fixed premiums; violation of cease and desist order for unfair trade practices.

In addition, in virtually every insurance law, the commissioner is vested with the broadest of regulatory powers to cope with any improper conduct on the part of any company or agent including the subject matter of rule 4. "We also call your attention to the existence in many states of statutes specifically applicable to automobile financing and to the existence of other statutes such as penal laws, likewise applicable. (C.F., Section 251, 3(e) of act

300 of the public acts of 1949, state of Michigan; and section 2 of act 305 of the public acts of 1939 of Michigan.)

"It is submitted that the existence of this comprehensive legislative pattern makes it unnecessary for the federal trade commission to intervene in this regulatory field so far as insurance companies or their agents are concerned; furthermore, its intrusion in this field would result in duplication of effort and the creation of unnecessary expense. It will also produce conflict and confusion between state and federal laws and make it difficult to enact further state legislation to fill such gaps if any remain in state regulation.

"We call your attention to the case of United Corp. vs. Federal Trade Commission, 110 F(2d) 473 (4th C.I.R. 1940) which involved the packers and stockyards act and which contains an exception similar to that applicable to insurance under public law 15 in holding that matters within the jurisdiction of the Secretary of Agriculture under that act are exempted from the federal trade commission. The court pointed out that 'only confusion could result from an overlapping of jurisdiction, as this case well illustrates.' (110 F(2d) at 475). We assert that, in view of this comprehensive state legislative pattern to which reference has been made, the federal trade commission has no jurisdiction in this matter insofar as insurance companies are concerned.

"We state insurance commissioners take a very serious view of this matter; we are not dealing with a situation where Congress' opinion was expressed many years or decades ago. Public law 15 was enacted in 1945 and may be regarded as a current expression of Congress' intent in this matter.

Introduces Commissioners

"As evidence of the serious view which National Assn. of Insurance Commissioners takes of this matter, I call your attention to the presence here today of the following insurance commissioners" whom he named:

Forbes of Michigan, president of N.A.I.C.; Allyn, Connecticut, vice-president of the association; Hershey of Illinois; Harrington of Massachusetts; Deputy Commissioner Humphries of

North Carolina and Dineen of New York.

Mr. Forbes called attention to provisions of Michigan laws dealing with insurance regulation. He expressed the belief FTC did not intend to disregard PL 15. Under Michigan laws, he said, insurance in connection with auto financing is being regulated, and many other states are regulating such insurance activities. He joined in urging elimination of "insurance company" from rule 4.

Mr. Dineen expressed his opposition in a letter to Lowell Mason, copy of which he read into the record. Objecting to rule 4, he called attention to New York laws prohibiting unfair trade practices, misrepresentation, etc. So far as insurance companies and auto purchasers are concerned, the latter indicated New York law is adequate, and the insurance department is active in enforcing the law. Congress does not want interference with state insurance regulation, Dineen said, and, from the economy angle, "it doesn't make sense to duplicate state efforts," in view of the \$43 billion federal budget.

Dineen Makes Suggestion

Mr. Dineen urged elimination of "insurance company," or if that is not done, he suggested rule 4 be amended so as to apply to insurance companies only where there is no state regulation covering their activities in connection with auto "packing."

Urging deletion of "insurance company" and calling attention to PL 15, Mr. Harrington made a short statement and then submitted a detailed draft of a number of other suggested amendments to the proposed trade practice rules, many of which it was indicated, were directed at the finance organization and the dealer, including direction against coercion by one or the other of them. He stated there would be still other suggestions submitted, and was afforded opportunity to submit amendments later in revised form.

The activities of most of those whose practices are subject to just criticism in the field of automobile financing are within the jurisdiction of FTC, he said. Much can be accomplished in the interest of the public through the activities of FTC and insurance commissioners acting in a manner which will avoid conflict of authority. He then offered amendments to the proposed rules which he said will better accomplish the stated purpose of the rules.

Harrington's Own Program

For instance Harrington would insert a rule stating the purchaser shall have the privilege of selecting his own company, agent or broker, but the seller may reasonably disapprove of a policy because of inadequacy of the coverage or assessment features or because of unsatisfactory financial status of the company. Also he would introduce a provision that the seller shall not require as a condition to the time-sale of personal property the cancellation of already existing policies in force for the purchaser which could be transferred to provide adequate protection.

Also Mr. Harrington would require the seller or finance company to deal through licensed agents or brokers.

Commissioner Allyn said Connecticut has laws adequate to deal with insurance problems arising in connection with auto "packing," and that the position of his department had been fully covered by preceding speakers.

Hershey Feels Strongly

Mr. Hershey said that in Illinois "we feel very strongly" in favor of the deletion of the FTC grip on insurance companies in rule 4.

Watson announced interested parties would have until Feb. 21 to file additional material, briefs, etc.

Frank Cain of Dallas, counsel Texas Used Car Dealers Assn., said if the Harrington amendments are adopted by the commission, his group will want at least one, if not three or four, more

UNITED STATES CASUALTY COMPANY



HOME OFFICE:

60 John Street

New York

Contract Bond Booklet Put Out by Surety Assn.

The nature and functions of construction contract bonds, and the advantages accruing from a bonded contract to the owner, architect, engineer and contractor are discussed in a new booklet published by Surety Assn. of America, "Construction—the Bonded Contract Is the Owner's Protection." The booklet stresses the assurance of fulfillment of a contract and the guarantee of payment for labor and material when performance and payment bonds are written on a construction project.

The booklet cover is illustrated with a photograph of the United Nations Secretariat building, which was covered by the largest contract bond ever written, and pictures of bonded projects illustrate the text. Reproductions of a bid bond and of performance and payment bonds for both private and public construction are in the appendix.

The foreword was prepared by Edward H. Cushman, Philadelphia lawyer, who has specialized in construction problems.

The booklet is being distributed widely to the construction industry, private owners and public awarding officials, and to colleges and libraries. Copies may be obtained from the Surety Association, 60 John street, New York.

Salt Lake Self-Insures W.C.

Salt Lake City has adopted a self-insured workmen's compensation plan. Salt Lake is the first city in Utah to adopt such a program, but it will continue to buy other lines of insurance from private companies.

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hearings. The proposed rules, he said, represent "a very serious matter to insurance commissioners; you sure would be in a mess if you don't get those words 'insurance companies' out of the rules."

This speaker declared FTC has "brought the wrath of God down on it" and Congress has ordered its investigation by the House small business committee. Better Business Bureaus are back of the rules, Cain declared, and the rules "are nothing but OPA and Regulation 'W'" of the Federal Reserve Board. Cain said the issues involved in them can't be compromised.

Preliminary Conferences

It is understood there was considerable discussion among insurance commissioners and among industry representatives, in advance of the FTC hearing, on questions of policy with respect to insurance in connection with auto financing. Some industry representatives urged that the commissioners take a stand against the proposed trade practice rules concerned with auto "packing," especially rule 4, under which, it was claimed, the FTC would have direct jurisdiction over insurance covering autos bought on the installment plan.

Among commissioners, it was reported, the question arose whether or not it would be better to make a fight against this proposal, or to hold their ammunition for some future occasion involving FTC intrusion upon state regulatory jurisdiction. Some reportedly thought rule 4 not such a serious matter and that the fight should be reserved until some more important matter comes up. Others thought rule 4 involved a vital principle and that the commission should be stopped forthwith, if possible. The latter course was decided upon.

President Forbes invited the commissioners to meet here last week. The all-industry committee which, a member said, had "tried" to hold a meeting in New York the week before, decided to await a meeting or action of N.A.I.C. representatives.

A number of members of the all-industry committee were here for preliminary conference and the hearing. There was consideration of whether industry representatives should make presentations at the hearing. The decision was negative.

Among those noted at the FTC hearing were Vestal Lemmon, National Assn. of Independent Insurers; A. V. Gruhn, American Mutual Alliance; Ray Murphy and Marcus Abramson, Assn. of Casualty & Surety Companies; Ray Berry, National Board; John Neville and Maurice Herndon, National Assn. of Insurance Agents; Harry Perlet, U. S. Chamber of Commerce insurance department; Henry Moser, Allstate, and Eugene Thore, Life Insurance Assn. of America.

Impartial observers believe that the insurance commissioners made a most effective presentation at Washington. They presented a united front and their official presentation was well balanced, to the point and constituted neither understatement nor overstatement. There is quite an optimistic feeling in general that FTC will see fit to mend its ways and eliminate the reference to insurance companies in rule 4.

Big Projects Up in West

Peter Kiewit & Sons Co., Denver, has been awarded the contract at \$1,216,698, for certain work on the Colorado-Big Thompson project near Ft. Collins, Colo. Aetna Casualty will execute the bonds. Morrison-Knudsen Co., Los Angeles and San Francisco, was low bidder on the Broadway tunnel, San Francisco, at \$5,243,535. Fidelity & Deposit was on the bid bond.

William J. Coad, chairman of Omar, Inc., has been elected a director of Mutual Benefit H. & A. He also is a director of Omaha National Bank, past regent of Creighton University and a vice-president of Nebraska Conservation Foundation Inc.

SURETY

Role of Surety Actuary

Described by N. M. Franklin

The function of the present day surety actuary is to dig out the lessons of the past, to show what relevant rate-making factors exist, to assist in devising reliable methods of determining costs, and to enumerate the valid criteria which have been and are a part of rate-making. N. Matthew Franklin, actuary of Surety Assn. of America, said in addressing Surety Assn. of New Jersey at Trenton last week.

"With the expansion of industry at a time when there are rapid changes in the economy," declared Mr. Franklin, "it is essential that the rate-making approach be abreast of any such changes. The actuary helps to extract the lessons of such changes as they are reflected in experience."

Discussing the classification system, Mr. Franklin said that many of the classifications known to pioneers in the early days have steadily grown in volume and complexity. There has been an increase in new classifications until today there are over 500.

Classification according to hazard, he declared, has a real value. The moral and financial risk may be the same but the liability may differ according to the text of the bond. This is particularly true of contract bonds, public official bonds and other obligations which are required by federal, state or other public authority, he added.

To Set Up Speakers Bureau

LOS ANGELES—Surety Underwriters Assn. of Southern California has decided to set up a speakers bureau. E. S. Cunningham, Standard Accident, is chairman of the committee in charge to organize the bureau and secure the speakers. It is planned to have those in the bureau to talk on all phases of suretyship.

Cut N. C. Gas Tax Bond Rate

Commissioner Cheek of North Carolina has accepted a filing of Surety Assn. of America for reductions in gasoline tax bonds averaging 16% or better, depending upon the amount of the bond. This follows approval of a reduction for the same type of bonds filed by one company in November. The bonds guarantee the payment of gasoline taxes to the state as prescribed by law.

Premiums for this class have amounted to approximately \$20,000 a year.

Hear Riedel at N. Y.

State arterial highways and local construction present manifold problems which call for experienced assistance, including that of surety companies, John C. Riedel, chief engineer of the board of estimate of New York City, told Surety Underwriters Assn. of New York City at the February meeting.

Mr. Riedel described the traffic problems that plague New York.

Business discussions and committee reports preceded Mr. Riedel's talk, and a committee was named by Rankin Martin, Standard Accident, president of the association, to prepare a memorial resolution for the late Rutherford H. Town-er, founder of the Towner Rating Bureau.

"Comp" Law Book Published

A new and revised edition of the publication "Analysis of Provisions of the Workmen's Compensation Laws and Discussion of Coverage" has been issued by the insurance department of the U. S. Chamber of Commerce.

The 1950 edition contains for the first time an analysis of the workmen's compensation acts of Canada as well as separate analyses of the U. S. longshoremen and harbor workers' act and fed-

eral employees' compensation act.

All of the vital information regarding compensation laws is digested in 15 charts. The book is letter-size and contains 59 pages.

Copies may be had from the insurance department, U. S. Chamber of Commerce, 1615 H street, N. W., Washington 6, D. C.

Bar Blanket Bonds for Cities

FRANKFORT, KY.—City employees in Kentucky may not be covered under a blanket bond, since they are not included in the section of the revised

statutes authorizing such bonds. The attorney general's office so holds in a ruling to the Josselson agency at Ashland, Ky. The question arose when Maryland Casualty and National Surety held that a commissioner of Ashland could not be included under a blanket bond. The agency asked the attorney general for an opinion.

Set Canadian Prevention Meet

The annual meeting of Assn. of Canadian Fire Marshals and Dominion Fire Prevention Assn. will be held at Chateau Frontenac, Quebec, May 8-11.

This is one of a series of advertisements appearing regularly in leading newspapers throughout the country.

Things every Insurance Buyer should know—No. 35



**Businessmen:
Beware the
Vespa Maculosa!**

It was a mild October afternoon in the city.

Mrs. X, on a leisurely shopping tour, was strolling up Main Street. Passing a well-known specialty shop, she wandered in. Seeing some attractive blouses displayed on a counter, she picked one up . . . and dropped it with a frightened start as a sharp stinging pain shot through her left hand. Out of the folds of the blouse flew an angry vespa maculosa . . . better known as a wasp.

Mrs. X put in a substantial claim against the specialty shop for medical treatments. Fortunately the shop carried adequate business liability insurance, and a fair settlement was made, out of court.

This case, taken from our files, is merely one of hundreds that flow in a steady stream through our Claims Department.

Fact: The spectre of liability hovers over every business, large and small. Damaging effects of insufficient coverage are sharply pointed up by recent court decisions, where in a variety of instances, cash settlements have amounted to thousands of dollars. The ever-widening application of the legal principle of liability . . . its alarming tendency to crop up from seemingly trivial mishaps . . . its penetration into almost every phase of a business operation . . . must be fully understood and acted upon promptly.

Act: Call in your broker or agent now. He will be glad to review your present coverage in the light of your current and future exposure to risk.

THE ATLANTIC COMPANIES

ATLANTIC MUTUAL INSURANCE COMPANY
CENTENNIAL INSURANCE COMPANY
Home Office: 49 Wall Street, New York

Baltimore • Boston • Chicago • Cincinnati • Cleveland • Detroit
Grand Rapids • Houston • Los Angeles • Newark • New Haven • Oakland
Philadelphia • Pittsburgh • Portland • St. Louis • San Francisco • Seattle • Syracuse

Marine, Fire, Inland Transportation, Yacht, Property Floaters, Automobile and Casualty Insurance

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Detroit Banquet Sets High Mark

DETROIT—Before an annual banquet assemblage of nearly 300 agents and company representatives, Charles



M. F. McCaffrey



Charles L. Platts

L. Platts was inducted as president of Detroit Assn. of Insurance Agents. He succeeds M. F. McCaffrey.

The banquet, preceded by a cocktail party, was the largest such gathering in history.

Bruce Chalmers is the new vice-president, and treasurer is Irving W. Blumberg.

The featured speaker was Barrie O'Daniels, managing director of Detroit Civic Light Opera Co., on "The Greatest Actors I Have Known Were Not of the Theater." Edward Everett Horton, stage and screen star, entertained with reminiscences.

President of the Detroit common council, Louis C. Miriani, and Commissioner David A. Forbes attended.

Mr. McCaffrey announced that the association's treasury will receive Detroit public business commissions as a result of recent bidding made by member-agents on behalf of the association.

Mr. Platts heads his own Detroit agency. He started in 1918 with Travelers at Hartford, later transferring to Newark. After seeing service with Travelers at Grand Rapids, he was transferred to Syracuse in 1920 as manager. In 1923 he came to Detroit with the McNaughten, Livingston, Reinecke & Griffin agency as casualty manager. In 1925 he was manager of the Detroit branch of Standard Accident and later moved to the home office as special executive representative. In 1930 he resigned to go into the local agency business.

George Suliburk of Cruickshank, DeCou & Suliburk was elected to the board of directors, and C. Marse Verbiest was reelected for a three year term along with Mr. Chalmers.

Firemen's Relief Surcharge Raises Legal Questions

ST. PAUL—Some interesting legal questions are being raised now that the 2% surcharge has been discontinued in three of the five cities where it has been in effect. One point raised is whether the charge can be reinstated if the fund of the firemen's relief association in any of the three cities again drops below the amount specified by the legislature.

Under the law the surcharge was to remain in effect at Minneapolis, St. Paul and Duluth until the fund in each of those cities reached \$600,000. It has reached approximately \$700,000 in Minneapolis and therefore there is no immediate need seen for it. But in Duluth it is barely above \$600,000 and at the present rate of benefit payments could easily drop below that point.

Some attorneys hold that the sur-

charge can be automatically reinstated when the fund drops below \$600,000 while others contend that the law merely provides that the fund shall reach \$600,000 and from then on it is the responsibility of the relief association to maintain the fund.

A more ticklish question that is bothering some of the insurers is what would happen if some policyholders should demand refunds on the surcharge they paid after the relief fund in their town had reached the specified amount. For example, the Winona fund is reported to have reached its \$50,000 by July 1, 1949, but the relief association neglected to report it, with the result that the surcharge was collected six months last year when it should not have been. The companies have merely acted as collectors from the policyholders and turned the money over to the insurance department, which in turn remitted it to the relief association.

Urges Adequate Insurance

PERU, IND.—Peru Insurance Agents Assn. has suggested to the board of works and safety that insurance on the municipal electric light plant be increased from the present \$100,000 to \$2½ million, in line with actual values.

The suggestion was taken under advisement by the board, and the agents were asked to prepare a plan under which the protection could be purchased through the association with one man making the arrangements. The board asked that the number of companies be kept as low as possible.

N. D. Inspections Urged

BISMARCK—As a result of several costly fires in North Dakota in January, State Fire Marshal O. Krueger is urging firemen throughout the state to make careful inspections of schools, churches and gymnasiums. Several churches and good-sized schools have burned this winter. Already in February there has been one fire loss estimated at \$400,000, the St. Charles hotel at Dickinson, where one life was lost.

EAST

Problems of Phila. School Tax on Business Reviewed

PHILADELPHIA—Insurance brokers in this city need not disclose the identity of their principals under the Philadelphia business tax for school purposes, P. Nicholson Wood, counsel for Insurance Agents & Brokers Assn. of Philadelphia & Suburbs, told the group at a luncheon meeting.

The same holds true for agents, Mr. Wood said, as the tax form will show when it is distributed. Last fall Mr. Wood advised brokers to declare their principals in order to avoid taxation as such by the school system. However, counsel for the receiver of school taxes advised otherwise.

He also warned that any advice they had received that the location of the risk on which they receive commissions is material, and that risks outside of the city are not taxable, should be ignored. Such commissions are taxable as long as they maintain offices in Philadelphia.

"You can move your office out of Philadelphia and thereby eliminate the tax entirely," he said.

However, the law makes a difference in this respect between brokers' or agents' commissions from out-of-city risks and those of insurance companies. Premiums collected by insurance com-

able.

Mr. Wood pointed out that agents or brokers may open up a branch office out of town, but only after close study to make certain no law is broken. This refers to agents who use their homes as offices, in addition to regular center city offices.

A review of activities of Pennsylvania Assn. of Insurance Agents was given by President W. Howard Stewart, Clearfield, Pa. He said the insurance department has cooperated with the associations outside of the city are not taxation on stiffer examinations for applicants, by setting up an advisory committee of company men, representatives of the Tri-State Mutual Assn. and the Pennsylvania association. This committee now has a hand in framing examination papers and examining these papers.

COAST

Principal Speakers for F.U.A.P. Meeting Listed

SAN FRANCISCO—Although details of the program for the annual meeting of the Fire Underwriters Assn. of the Pacific March 8-9 are not complete, the principal speakers have been announced by President H. W. Semmelmyer.

They include F. B. Whitman, president Western Pacific Railway; Harold Barnhart, president California Assn. of Insurance Agents; Eugene S. Gallagher, Planet of Detroit; Commissioner Holmes of Montana; J. E. Joseph, assistant manager Commercial Union group; Phil F. Kingsley, agency superintendent of Fireman's Fund; A. J. Snow, assistant manager Oregon Fire Rating Bureau and Don Walker, assistant manager of Phoenix-Connecticut at Los Angeles.

As usual the first session will be devoted to committee reports, speeches of greetings and the president's address.

The banquet will be following election of the new officers at the final session March 9.

Hold Regional at Oakland

Robert E. Battles, Los Angeles, secretary of California Assn. of Insurance Agents, outlined its program of activities at the central California-San Francisco bay area regional meeting at Oakland. Plans for the meeting, which was attended by a number of other local groups in adjoining counties and communities of Alameda county, were made by Oakland Assn. of Insurance Agents.

Lorin K. Carroll, vice-president of the association, who heads the committee on membership, and Paul Higgons, Oakland, regional director, also reviewed the association's greatly enlarged program.

Auto Adjusters Plan Outing

About 200 are expected to participate in the annual outing and golf tournament of Automobile General Adjusters Assn. of San Francisco Feb. 21-22 at Sonoma Mission Inn, 38 miles north of San Francisco. There will be representatives from Oregon and southern California. The committee in charge is headed by W. J. O'Brien, Security, past president of the association.

Two Talks on Escott Plan

Fay Hawkins, executive secretary of Pacific Fire Rating Bureau, gave Fire Underwriters Forum of San Francisco an over-all view of the effect and objectives of the Escott plan for rating

multiple risks on the Pacific Coast company operations.

Last week Insurance Post 404, American Legion, heard the background and history of the Escott plan from Frank Montesano, chief of the division of rate regulation in the California department. Before going to California Mr. Montesano was in the New York department.

Insurers Offer No Comfort for Smudge Smog Problem

A chilly reception was given by insurance company men to the suggestion that citrus growers in the Los Angeles area take out crop insurance and discontinue the practice of smudging. The idea was put out by Gordon P. Larson, Los Angeles county smog control chief, who recommended a study of comparative costs of insurance and smudging.

Fire company people in Los Angeles indicated that there would be no American market for such coverage, pointing out that such a system was tried by general companies some years ago and they were so badly hurt that no one else will take up the line.

The English market, while slightly more receptive, takes a cautious outlook on the problem. If the temperature drops below 24 degrees, there is no known frost prevention method which will save the crop, and the company men suggest a substantial deductible before any consideration could be given, and even that would have to follow installation of every possible type of frost-preventive methods.

SOUTH

G.A.B. Opens New Fla. Office, Hampton to Tupelo

Robert H. Walter has been appointed resident adjuster at a new office of General Adjustment Bureau at Fort Myers, Fla. The office will service Collier, Glades, Lee, Henry and Charlotte counties. It will be under the general supervision of the Miami office.

Mr. Walter joined G.A.B. in 1941 after graduating from Alabama Polytechnic Institute and University of Alabama. He has been at Charleston, and Tupelo, Miss., where he was manager.

The new manager at Tupelo is John H. Hampton, who has been senior adjuster at Memphis. Mr. Hampton started with G.A.B. in 1945 at Memphis and has handled virtually all types of losses. He served in Florida on several of the hurricane losses.

Okla. Convention May 15-16

The annual meeting of Oklahoma Assn. of Insurance Agents will be held May 15-16 at Tulsa, with headquarters at the Mayo hotel. Foster P. Boggs of William F. Stahl Co., president of the Tulsa board, is general convention chairman. Plans include a rural agents' breakfast.

New Va. Commission Chief

RICHMOND — W. Marshall King has been elected chairman of the Virginia corporation commission to succeed H. Lester Hooker. Ralph C. Catterall has been appointed to succeed L. McCarthy Downs, resigned, as a member of the commission.

Paul L. Lewis, E. M. Clark and A. Winslow Sullivan have been named partners and vice-presidents of the Midyette-Moor agency of Tallahassee.

James L. Arnsperger has joined his brother Lucien M. Arnsperger to form the Arnsperger agency at Paris, Ky. He has been with Metropolitan Life and Kentucky Central L. & A.

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LORD CORNWALLIS WAS trapped. Pressing ever closer, the French and American armies were bombarding his position in Yorktown while the French fleet maintained a blockade by sea.

The time was October, 1781. Though the British had virtually abandoned their efforts to overcome the north, their army in Virginia had been struggling to conquer the south. At last, however, the siege of Yorktown became so critical that Cornwallis attempted to extricate his troops, only to have his plans thwarted by a sudden storm which scattered the boats in which he hoped to cross the York River. His position was desperate and on October 17 he asked Washington for terms of surrender.

Next day representatives of the British, French and American armies met under flags of truce to discuss terms. Finally, fourteen articles of capitulation were drawn up and submitted to Cornwallis with the demand that they be signed by eleven o'clock the following day. Cornwallis complied and about noon the allied armies marched into Yorktown and took up positions in the British line. While the com-



Around the table, terms of Cornwallis' surrender to Washington were drafted.

bined pipers of the brave Scots Highland Brigade played "The World Turned Upside Down," the British troops marched out and laid down their arms. The long war was over. American independence had become a reality.

The momentous meeting at which the surrender terms were drafted was held in the Moore house located a mile from Yorktown on a bluff overlooking the York. Since the house was out of the direct line of fire, it had escaped destruction in the bombardment. The estate was acquired in 1769 by Augustine Moore, a merchant, but the date

Famous American Homes



the house was constructed has been estimated by some to have been as early as 1725.

During the Civil War the house was damaged by shell fire and its shutters, doors and trim were used as fuel by the invading troops. For years thereafter, it suffered mistreatment while occupied by transient farmers until in 1881 it was repaired and enlarged for the centennial celebration of the surrender.

Then in 1930 when Yorktown and its environs were made a national monument, the Moore house was purchased by Mr. John D. Rockefeller, Jr. and presented to the government. During 1931-1934 after considerable research,

the structure was restored to its appearance in 1781. Now one of the museums of the Colonial National Historical Park, administered by the National Park Service, the house within whose walls the historic meeting took place is permanently preserved.

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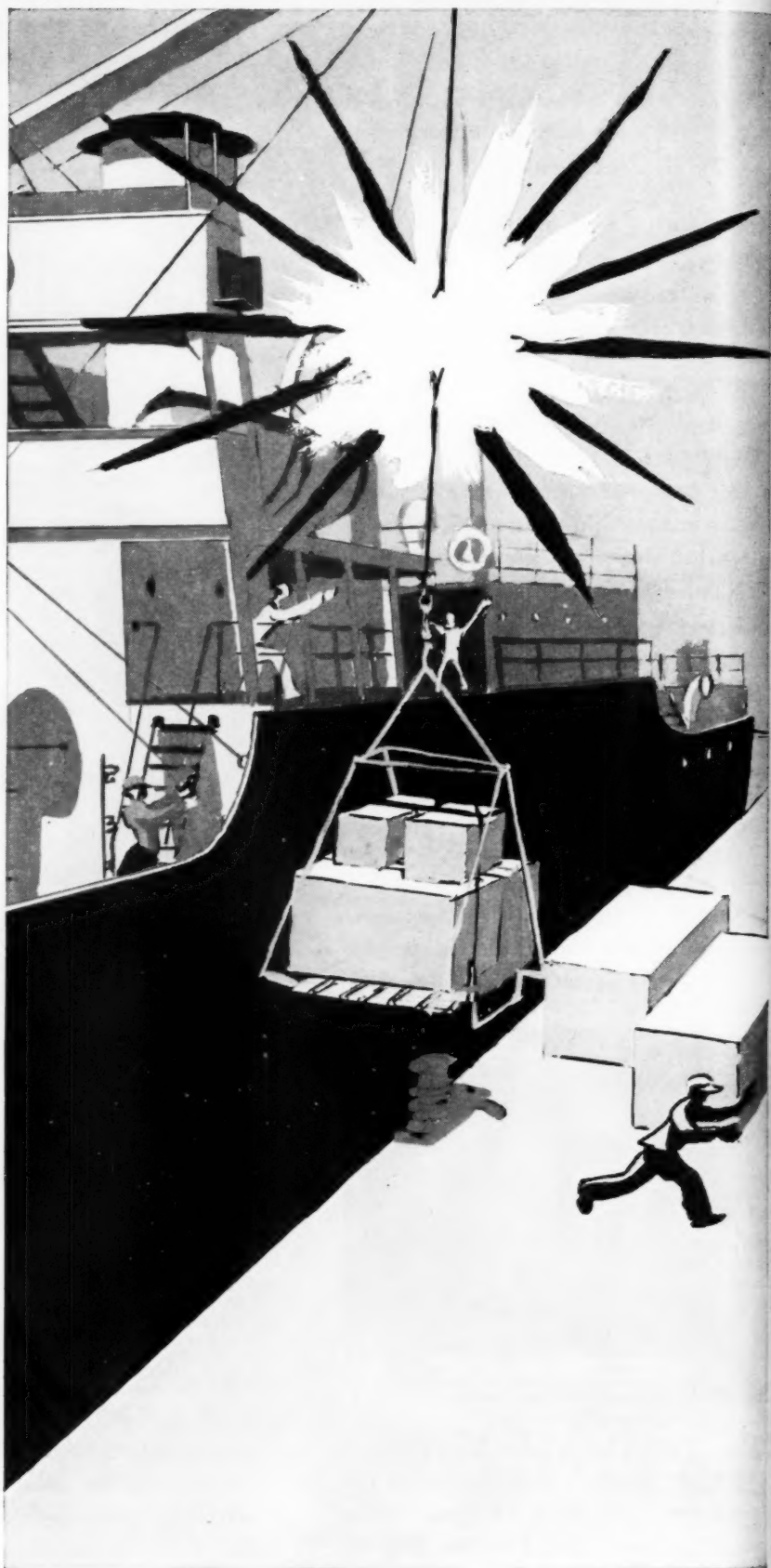
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